

Meeting Minutes

Wisconsin Council on Forestry
Holiday Inn Express – Black River Falls, WI
June 12, 2007

Members Present:

Bill Horvath, Ken Ottman, Leon Church, Matt Dallman representing Mary Jean Huston, Jim Heerey, Paul DeLong, Fred Souba, Jeff Stier, Rep. Don Friske, Fred Clark, Michael Bolton, Jim Hoppe, Rep. Don Friske, Robert Rogers

Members Absent:

Dennis Brown, Rep. Mary Hubler, Sen. Bob Jauch, Colette Matthews, Mary Jean Huston, Troy Brown

Guests Present:

Jim Rodd, Mary Brown, Dennis Neitzke, Paul Pingrey, Dave Ladd, Gene Roark, Earl Gustafson

Welcome and Introductions

Chairman Fred Souba called the meeting to order at 8:04 a.m. He thanked the staff of the DNR Black River Falls Service Center for taking Council members on a tour the Black River Forest and surrounding areas on June 11th. He welcomed Jim Hoppe of Packaging Corporation of America, who was recently appointed to the Council by Governor Doyle. Jim succeeds Bill Ward as the Council's pulp and paper industry representative. Members and guests introduced themselves.

Legislative Issues – Rep. Donald Friske

The Joint Finance Committee (JFC) is finishing up its work on the budget. When it is done, probably within the next few days, JFC will present the budget to both the Senate and the Assembly, each of which will make alterations before sending it on to the Conference Committee. When the budget leaves the Conference Committee, legislators no longer have an opportunity to impact it; they can only vote 'yes' or 'no'.

The Workmen's Compensation Bill, a major issue for the Great Lakes Timber Producers Association, is moving forward. There probably won't be an opportunity to get it to the Senate until September or October.

Rep. Friske accompanied Rep. Jeff Mursau to the Chicago Climate Exchange (CCX), where they learned about carbon sequestration and commodities markets. Some private companies and some states belong to the Exchange. As a CCX member, Wisconsin would be able to positively impact its forestry component. Although he isn't ready to make a recommendation at this point, Rep. Friske does feel that the issue warrants further investigation. Chair Souba asked the Council members if they felt there was a need for the Council to gain a better understanding of the CCX or any of the topics it is looking at. It was agreed that there is a need to learn more, particularly about carbon.

The Joint Finance Committee passed a motion to prohibit any landowner under MFL from leasing their land. This was largely in response to Tigerton Lumber and other companies having violated the intent of the law by dividing its land into smaller blocks and closing off acreage. Continued and increased public access is an intended public benefit of the MFL. While some landowners may have valid reasons for leasing their land, a program that would be capable of distinguishing between those leasing legitimately and those who are not would be impossible to administer and enforce. The legislature chose prohibiting leasing as the fairest option.

DECISION ITEM:

- Carbon will be an agenda item for the September Council on Forestry meeting.

ACTION ITEMS:

- Fred Souba will try to arrange for someone (possibly Steve Ruttle, whom the CCX has hired to work on carbon sequestration) to speak on carbon at the September Council meeting.
- Earl Gustafson, WI Paper Council, will send Fred Souba details of the work that the National Council for Air and Stream Improvement (NCASI) has done on the lifecycle carbon footprint.
- Fred Souba will try to arrange for someone to give a presentation to the Council on the lifecycle carbon footprint sharing information obtained from a study done by Stora Enso, Home Depot, and Time Inc.

Woody Biomass Legislation – Bill Horvath

Finalize Council-sponsored Legislative Package

At its March 13th meeting, the Council found consensus on seven of the 31 sections identified by the Woody Biomass Task Force as part of its comprehensive legislation for the production and utilization of woody biomass. It asked Bill to bring those seven back to the Council in June with specific language attached so that they could be moved forward. Bill discussed a Task Force document, containing this language, which was distributed to Council members in advance of today's meeting. He explained that separate bills were being drafted for each component.

The language of Section 1, State Policy, was patterned after language used for the State recycling policy. Council members raised concerns that this section, as it now reads, could lead to redirection of the current woody biomass supply without increasing utilization. They also expressed confusion about the use of the term "incentives" and the precise definition of "woody biomass". Earl Gustafson, after thanking Bill for all his work on this monumental project, read the position of the Wisconsin Paper Council. The Paper Council believes that this section needs revision, that it lacks language that would clarify that the policy in Wisconsin should not provide subsidies that would potentially harm functioning wood markets, and that market forces should be the primary stimulant.

Paul DeLong reminded the Council not to lose sight of its objective to move these sections forward. He noted that most of the concerns voiced were more of wording than of intent, and suggested the Council find a way to organize an editing process to work through the seven sections to arrive at a point where they have broad support. Rep. Friske reminded the Council that the Governor is moving quickly to advance alternative fuels. He advised against sending the package back to the Task Force, and urged the Council to have a position statement finalized by August, or at the latest, September, so that a bill can be introduced in time to have legislation in place by November.

Chair Souba proposed appointing a five-member task group to work on refining the language of the seven sections for Council review. The membership would include one Woody Biomass Task Group member, one DNR representative, Chair Souba and two other Council members that he would appoint.

DECISION ITEM:

- Chair Souba will appoint a five member task group composed of himself, two other Council members whom he will appoint, Bill Horvath representing the Woody Biomass Task Group, and one DNR representative. The group will refine the language of the seven sections of the woody biomass legislation, take the package back to the Woody Biomass Task Group for its opinion, and then send it to the Council for review before the September Council meeting.

Next Steps for the Woody Biomass Task Force

Though the Woody Biomass Task Force has essentially completed its task of developing legislation, the members agree that their work is not complete. They wish to continue, but will need to change their focus. At its May 30th meeting, the Task Force proposed the following recommendations for Council consideration:

1. That the Task Force continue its work into the foreseeable future.
2. That it complete its original assignment for comprehensive legislation.
3. That it refocus its energy on the following issues:
 - A. Harvesting and transportation issues relative to woody biomass.
 - B. Outreach education and identification of barriers specific to woody biomass.

- C. A Fuel for Schools program for Wisconsin.
- D. A driftless area demonstration project with the Wild Turkey Federation, DNR, Cooperative and Xcel Energy to achieve sustainable forestry, biomass for energy production, and wildlife habitat.
- E. A University of Wisconsin Forest Sustainability and Technology Center in partnership with the Council's Research Task Force.
- F. Recommendations for a focused afforestation program for the State's one million areas of working lands.
- G. The Upper Great Lakes Wood Commodity Exchange.

Paul DeLong recommended that the Task Force focus its efforts on issues 3A and 3B, since not much is being done in these areas, and time is limited for getting harvest guidelines in place. The other issues are being pursued elsewhere. Bill thought it would be a good idea to stay somewhat on top of other issues as well so that a mechanism would be in place should any of them become high-profile for the Council. Chair Souba would prefer to have people directly involved with specific issues, such as a representative from the Commodity Exchange, speak to the Council should the need arise rather than invest Task Force resources.

DECISION ITEMS:

- A motion by Bob Rogers (seconded by Leon Church) that the Woody Biomass Task Force be charged with working on issues 3A and 3B, harvesting and transportation issues relative to woody biomass, and outreach education and identification of barriers specific to woody biomass, passed unanimously.
- Chair Souba, on behalf of the Council on Forestry, will attend the August meeting of the Woody Biomass Task Force to thank Bill Horvath and the other Task Force members for their good work.

ACTION ITEM:

- Bill Horvath will provide the Council with the Final Report of the Woody Biomass Task Force, including issues for consideration in comprehensive legislation, at the September Council meeting.

Private Forest Certification Expansion – Paul Pingrey, DNR

The MFL program was certified under the American Forest Foundation's Tree Farm Group Program in 2005. The DNR completed scoping assessments for both Tree Farm and FSC certification in 2004 but, due to time and funding limitations, the Council decided to proceed with only Tree Farm assessment at that time. The demand for certified products has changed significantly in the last four years. The DNR steadily receives calls from manufacturers and saw timber producers looking for FSC certified wood. Mills need a reliable supply of FSC certified wood. Small private landowners are their primary source of saw timber. Jim Hoppe, of Packaging Corporation of America, noted that his customers not only want products that are made from FSC certified wood, but now want the boxes that they are shipped in to be made from it as well.

For these reasons, Pingrey said, the DNR would like the Council's direction on whether it is time for a full FSC assessment of the MFL, to possibly expand certification of MFL lands to include FSC. The Department would be the certificate holder, and the individual parcels would be certified under it. Since many of the corrective action requests (CARS) identified in the 2004 assessment have already been addressed, it is likely the group would be found to be in conformance with FSC principals, with only minor CARS resulting. A full audit would likely cost between \$60,000 and \$70,000. The Department would put out a Request for Proposals. The required annual surveillance audits would cost about \$15,000 each. Fred Clark noted that this was a fantastic opportunity for the State, as it could attain FSC certification, literally, about one hundred times more cost effectively than a private forester could. Chair Souba concurred with the Department's recommendation that Fiscal Year 2008 funding be reallocated to conduct an MFL-FSC full assessment as soon as practical.

DECISION ITEM:

- A motion by Fred Souba that the Council recommend that the DNR proceed this coming fiscal year to conduct a full FSC assessment of the Managed Forest Law passed unanimously.

Invasives BMP Update – Fred Clark

Fred delivered a PowerPoint presentation entitled, “Status of Best Management Practices for Invasive Species”. He explained that as a result of the 2004 Governor’s Conference on Forestry, the original Invasives Task Force evolved into a formal Forest Invasives Leadership Team, made up of Ken Ottman, Jim Heerey and ten others, focusing on coordinating the four Best Management Practices (BMP) for Invasive Species tracks to address best management practices to protect Wisconsin’s forests:

Forestry Track – This effort concerns loggers, foresters, the research community, owners of working forest lands, and others who contribute to forestry in Wisconsin. Gene Roark and Jim Rodd are among members of its Advisory Committee, which is in the process of drafting a Forestry BMP manual. They have gotten through the content of the first five of its nine chapters. Areas being addressed are:

- Educational Resources
- Strategies
- Background
- Management Planning
- Stewardship
- Timber Harvesting
- Reforestation
- Fire Management
- Wildlife Management
- Transport and Storage of Wood Products

A draft charge for the overall effort has been written for inclusion in the manual, as has a draft scoping statement, emphasizing that the BMP statements in the manual are not intended to create mandates, but rather to influence the routine activities of those working in the woods. Concerns of the Advisory Committee include:

- Setting of unrealistic goals and objectives
- A need to clearly define terms, such as “eradication” and “prevention”
- The cost of adopting practices borne by industry, loggers, and wood producers
- The exceptional burden placed on the forestry community
- The need for legal/regulatory action to complement voluntary practices
- The need for “image” tools to identify which species and situations most warrant action and use of limited resources (The manual is intended to provide these tools.)
- The need for clear cost/benefit calculations

The US Forest Service, Northern Region, State and Private Forestry would like to use this BMP effort as a model for their new initiative, “Investing Where it Matters Most”, and have offered funding to help speed the effort toward completion.

Recreational User Track – This track consists of a group of partners attempting to influence recreational users of the forest. Participating organizations include the Wisconsin Wildlife Federation, the National Park Service, the Wisconsin DNR Bureau of Parks, the Wisconsin Conservation Congress, and the Wisconsin ATV Association, which has put forth a tremendous effort. Their key effort is to get a message out to users through a media campaign that will positively change their behaviors.

Rights of Way Track – This effort focuses on linear corridors, such as railroads and town or county roads, which can be vectors for the spread of invasive species. It involves partners from such areas as the power and gas utilities, the railroads, and the Department of Transportation who don’t normally work together. New strategies need to be developed to bring them together.

Urban Forestry Track – This effort involves urban foresters, arborists, and landscapers. The Urban Forestry Council (UFC) has agreed to lead this effort under Ken Ottman’s leadership. At its meeting in early June, the UFC took formal action to begin the effort provided the Forest Invasives Leadership Team can identify and obtain the resources necessary to enable them to proceed.

Impact of China on Wisconsin's Forest Products Industry – Dave Ladd

Paul DeLong introduced former Natural Resources Board member Dave Ladd to the Council. Dave, who has been active in Wisconsin conservation for many years, owns Walnut Hollow, a Wisconsin forest products company which grew out of the family tree farm. It markets products throughout the United States and in several other countries. Its biggest customer is Walmart, which stocks its products in all 3,680 stores.

Until a few years ago, Walnut Hollow had 300 employees. Now it is down to about 100, mainly, Dave said, because of Chinese imports and his company's inability to compete with wages as low as 41 cents-per-hour in China. Because one of six manufacturing jobs in Wisconsin is wood or paper related, he feels that a tariff on all wood products coming in from China should be instituted, and would like the Council to ask the government to place one on all wood and paper coming into the United States from China.

A discussion ensued on the extent of and possible solutions to the problem. Michael Bolton pointed out that all products, not just wood ones, are being similarly affected. Because of this, he feels that anti-sweatshop legislation is probably the best way to address the full spectrum of the problem. Paul DeLong said that this could be an opportunity to encourage large retailers trying to obtain Green certification to advertise that they sell products made from sustainable wood. Fred Clark thought there might be a way to promote Wisconsin made wood products. Chair Souba suggested that it might be worthwhile to draft a letter to our legislators emphasizing the value of Wisconsin's forest products and their importance relative to the sustainability of our forests and to our jobs as a platform for legislation on the tariff issue as well as on the spectrum of related issues that have the potential to impact our sustainability.

DECISION ITEM:

- A motion by Bill Horvath (seconded by Bob Rogers) that the Council send a letter to our Wisconsin Delegation, Senators and legislators with an emphasis on the importance of protecting jobs and the sustainability of our forests passed unanimously.

ACTION ITEM:

- Chair Souba will draft the letter, route it to the Council for review and electronic comment, and mail the final after taking any comments received into consideration.

State Forester's Report – Paul DeLong

Chief State Forester Paul DeLong noted that the Council on Forestry's Biennial Report, required by statute, is now due.

ACTION ITEM:

- Paul DeLong will distribute a draft Biennial Report of the Wisconsin Council on Forestry to Council members for review in advance of its September meeting, where it will be taken up for modification and/or approval.

Karner Blue HCP Update

Paul distributed copies of an article from *Wisconsin Natural Resources* magazine, entitled, "Karner Blues - Small, Blue and Bountiful". Some Karner blue butterflies were spotted in the Black River State Forest by Council members visiting a management area during the Council's June 11th tour. The potential Karner blue range was estimated to be over 10 million acres. However, recent mapping work shows that the potential range is closer to 2 million acres. Their recovery in Wisconsin has been quite successful. More are found in Wisconsin than all in other areas within their range combined. Our Habitat Conservation Plan (HCP) is being referenced as the model plan because of the nature of the species involved and because of the work that went on to make it such a success. Landscapes had to be recreated. An event is scheduled in August to recognize the HCP, the multifaceted work involved, and the partners who made it possible. The Secretary of the Interior is expected to attend, as is the Director of the Fish and Wildlife Service.

FY '07-09 Budget

Paul recently sent updates to Council members on JFC's budget work, but since then it has taken up a couple of Department-wide initiatives which could negatively impact forestry. It only partially authorized certain

increased expenses, such as rent and building costs. Funds for other ongoing operations would have to be reduced in order to cover the anticipated cost increases. Stewardship Reauthorization is being taken up on June 15th. Paul expects that two very different proposals will come out of the two chambers. There was no motion made to change the amount of the Forestry Account contribution to Stewardship debt service. There has been much debate about whether or not Stewardship should pay for lands that don't have public access, particularly for hunting and fishing.

Work on the federal budget has been encouraging. The House Appropriations Committee restored funding to both the Federal Forest Stewardship and Urban and Community Forestry programs. There is also a significant increase in the Forest Legacy Program. The Senate has yet to take action on these proposals.

Federal Forestry Program Redesign

The U.S. Forest Service consists of three branches – the National Forest System, Research, and State and Private Forestry. It is now in the process of redesigning State and Private Forestry. There have been discussions between the Forest Service and State Foresters about what the program, expected to be in place by October 1st, will look like. It needs to be more adaptive; recognizing that what works in one state may not work in another. There is a proposal to streamline program allocations into three broad categories:

1. Maintaining Working Forest Landscapes
2. Protecting Forests from Harm
3. Enhancing Benefits Provided by Forests

Although Wisconsin is not as heavily reliant on federal funding as some states are, State and Private Forestry plays a significant role in the work we do with the Forest Legacy Program, Forest Stewardship Program, Urban and Community Forestry, Forest Inventory and Analysis research, State and Local Fire Assistance, Private Lands Assistance, and Forest Health. It also gives us leverage. The state will likely be required to complete an assessment and annual response plan. This will involve the Council.

State Lands Timber Sale Status

Objectives for state lands work have been identified and assigned. Each region has clearly defined goals for state lands. Although there are minimum bid issues, the state sells everything it can. If something doesn't sell, it is used as a basis to readjust minimums and put back on the market. Act 166 makes it possible for the Department to use a share of proceeds from sales as a basis to fund contracts with private sector foresters to work on state lands timber sales. The DNR is pushing cooperating foresters to do more work on private lands and to build the private sector capacity.

ACTION ITEM:

- Paul DeLong will provide the Council with updated figures on state timber sales as soon as they are available.

Climate Change Task Force

Governor Doyle has created an Office of Energy Independence to implement his 25/25 Initiative, which is a pledge that we will get 25 percent of our electricity and transportation fuels from renewable sources by 2025. Former DATCP Secretary Judy Ziewacz has been appointed by the Governor to head the new office.

As part of this initiative, the Governor has also appointed the Task Force on Global Warming, co-chaired by Roy Thilly of Wisconsin Public Power and Tia Nelson of the Board of Commissioners of Public Land. Mary Jean Huston of the Nature Conservancy, Steve Hiniker of 1000 Friends, Lynn Wilson of Plum Creek Timber, and Tom Scharff of Stora Enso are among the other members. An Agriculture and Forestry sub-group will likely be created at the next meeting. Carbon sequestration and emissions issues are being looked at. Staffing is being provided by the PSC and DNR Air and Waste Division.

Next Meeting and Adjourn

The next meeting will take place on September 11th in Madison. Possible topics include:

- Potlatch in Wisconsin
- Woody Biomass – Final Legislative Package
- Chicago Climate Exchange

- Carbon Sequestration
- Climate Change Task Force
- Urban Forestry Council Legislative Initiative
- Wisconsin Council on Forestry Biennial Report
- Update on BMPs for Invasive Species

The meeting was adjourned at 2:45 p.m.

Submitted by:

Mary Brown
WDNR