

## Meeting Minutes

Wisconsin Council on Forestry  
Forest Products Lab – Madison, WI  
March 18, 2008

### **Members Present:**

Bill Horvath, Ken Ottman, Leon Church, Paul DeLong, Jim Hoppe, Bob Rogers, Fred Clark, Sen. Kathleen Vinehout, Fred Souba, Jane Severt, Casey Eggleston representing Mary Jean Huston, Tim Gary representing Rep. Don Friske

### **Members Absent:**

Dennis Brown, Michael Bolton, Jeff Stier, Rep. Don Friske, Rep. Mary Hubler, Sen. Bob Jauch, Troy Brown, Jim Heerey, Mary Jean Huston

### **Guests Present:**

Paul Pingrey, Gunnar Bergersen, Steve Schmieding, Mary Brown, Darrell Zastrow, Sara Bredesen, Gerry Mich, Geoff Chandler, Pete Coutu, E.G. Nadeau, Paul Pingrey, Earl Gustafson, Peter Murray, Bob Manwell, Gene Roark, Jim Baron, Steve Niemuth, Joel Nilsestuen, Kathy Nelson, Bob Mather, Brett Hulsey

### **Welcome and Introductions**

Chair Souba called the meeting to order at 9:34 a.m. The members and guests introduced themselves.

### **Certification Update – Paul Pingrey and Geoff Chandler, USFS**

#### **National Forest**

In 2005, the Forest Service decided to have an assessment done for SFI and FSC certification of five of the national forests, one of which was the Chequamegon-Nicolet. In 2006, it contracted with Smartwood for the FSC audit and with PricewaterhouseCoopers for the SFI audit. The final audit reports were done in 2007. There were programmatic nonconformances relating to training and communications. Certification of the National Forests was not an outcome. At the request of the Chief, the Pinchot Institute prepared a summary report of the five audit reports. It is available on the website for the National Forest Service in Washington, DC, and at [pinchotinstitute.org](http://pinchotinstitute.org). The report said that several agency changes would be required in order to undertake a certification at the agency level. National Forest System lands would be the most difficult lands to certify. Because of the myriad of rules and paper trails involved, it would be extremely difficult to track material. There is a complex legal record going back thirty years. Contracts are done nationally, so changes can't be made at the local or regional level. The Pinchot Institute concluded that certification should be pursued very carefully.

After a recent conversation with FSC-US Standards Revisions Coordinator Karen Steer, Paul reported that FSC-US is interested in providing the Forest Service with guidance on how to proceed with a certification application, and has received an official letter from the Forest Service asking for guidance on:

1. How the Forest Service can demonstrate that they are a willing landowner,
2. What constitutes consensus that the public is ready to move forward,
3. What process will be used to develop federal land indicators, and
4. Whether FSC would be willing to accept certification of individual National Forests.

The Forest Service is trying to move ahead on consensus by holding four stakeholder meetings within the next few months, and will issue a news release with the details soon. It is hoped that it will be possible to certify the Chequamegon-Nicolet National Forest (CNNF) individually, giving Wisconsin a larger market pool of certified wood. Paul noted that the costs of certification are minor considering the benefits derived from the audit process, which is a vital part of DNR's management system. Chair Souba pointed out that the CNNF offering to look at individual certification is a classic example of Wisconsin once again taking on a leadership role. He congratulated the Forest Service for this, and for partnering with the State.

## MFL

Wisconsin achieved American Tree Farm Certification of its Managed Forest Law land in 2005. Since then, Wisconsin forest products companies have expressed interest in developing additional FSC certified product lines and expanding SFI certified lines due to customer demand. At its June 2007 meeting, the Council on Forestry recommended that the DNR conduct a full FSC assessment of the MFL to see whether the MFL could be certified under the FSC standard. The State contracted with SmartWood FSC. Their audit team visited 68 MFL properties in nine counties between March 3<sup>rd</sup> and 7<sup>th</sup>, and talked with 75 DNR staff, 12 Cooperating Foresters, 12 landowners and six loggers. Surveys were sent to 400 MFL participants and about 350 additional DNR and Cooperating Foresters.

FSC has never applied its indicators to a group like this, with over 41,000 parcels. Determining how to apply standards to a group this size, and to an agency, will be challenging. No one has done anything like this before in the United States. The biggest issues that came up during the audit were:

- The need for DNR to be more actively engaged in monitoring timber harvests.
- The need for DNR to develop a workable chain-of-custody (paper trail) system for the group.
- Providing reasonable assurance that landowners will not use FSC prohibited pesticides.

If the State is offered and accepts certification, there will be yearly field audits required for five years. DNR has made a commitment to pay the auditing costs. Of the approximately three million acres in the MFL, about one third are owned by real estate investment trusts, forest products corporations, and other large landowners. They would have to pursue certification on their own. Individual MFL participants would have the option to opt out of certification. The draft report is due in mid-May, and will be shared with the Council when it becomes available. The full report may not be concluded until later this summer. DNR will consult the Council again before committing to a final decision.

## **Healthy Forest Project & Woodland Advocates Program – Paul Pingrey, Gerry Mich, E.G. Nadeau, PhD**

Paul is Forest Certification Coordinator and former Private Forestry Specialist at the DNR. E.G. is a sociologist, who has worked with cooperatives for over 40 years. Gerry, Executive Director of Wisconsin Family Forests, is a former Wisconsin Woodland Owners Chapter Director and owns land in Forest and Outagamie Counties. Although Wisconsin leads the nation with 40% of non-industrial private forestlands involved in DNR management plans, about 60%, or six million acres, currently have no management plans. The Wisconsin Healthy Forests Program (WHFP) is a community-based pilot project intended to increase the number of private landowners with forest management plans and the acreage of privately owned forest under responsible management. The components of this unique program include:

1. Concentrated marketing followed by education and service provision in local areas.
2. Engagement of a Woodland Advocate Project Coordinator, a non-governmental peer who communicates with local landowners to assist and motivate them (Gerry Mich currently serves this role.).
3. A Landscape-Level Forestry Plan - a comprehensive plan that guides individual schedules.
4. Emphasis on landowner goals.
5. Easy access to a forester. The program facilitates free DNR or Cooperator graduated plans.
6. Potential for joint local activities, such as tree planting, thinning, and harvesting.

Funded for three years, and now half-way through its third year, the pilot has focused on Liberty Grove Township in Door County and the Greenfield/Caledonia area in Sauk and Columbia Counties. Enough grant money is left to fund the planned expansion WHFP to Baraboo Township in Sauk County, Leon Township in Waushara County, and Port Edwards Township in Wood County this year. Of the 635 landowners invited to participate in the program, 106 responded, and 90 forester visits resulting in plans followed, with more pending. After a year in the program, 45% of participants were doing active management within six months, with 7 working on invasive species control, 17 on harvesting or thinning timber, and 16 on other projects. In reviewing WHFP performance during the first two years, it was found that 86% of the landowners had no previous forester contact, and all of the landowners were pleased with service. They liked the foresters and the fact that they took the time to talk with them. Gerry noted that in the marketing stage, there was initially a high degree of skepticism, and that terminology and labels used had a very big influence on perceptions. For example, “managing” and “harvesting” were ideas more favorably received when described as “taking care of” and “thinning”.

The Final Report of the WHFP entitled, “The Next Two Million Acres” is out in draft form. It looks at what worked and what didn’t and what the implications are for the future. It also contains recommendations for

increasing private forest management in Wisconsin, and will be brought to the Council on Forestry for consideration later this year, after being reviewed by the Forestry Leadership Team.

### **MFL Task Group Report – Bob Rogers**

The MFL Task Group was formed at the December 2007 Council meeting to gather information on potential impacts of the prohibition of recreational leasing of MFL lands, and was to bring its recommendations to the Council for discussion. The Task Group, comprised of Bob Rogers, Bill Horvath, Troy Brown, and Fred Clark, produced and distributed a report entitled, “Reaction of Private Forest Landowners to a Recent Change in Law that Prohibits Leasing Land Enrolled in MFL”. Bob presented the Council with an overview.

There are nearly three million acres under MFL, of which 61% are closed to public access and 39% are open. The Managed Forest Law, which replaced the Forest Crop and Woodland Tax Laws, was enacted in 1986. Unlike its predecessors, it is considered non-contractual by the State, giving the Legislature flexibility to change provisions of the law to maintain consistency with current conditions. It provides a tax incentive to promote sustainable forestry while providing public benefits, and originally prohibited receipt of consideration for recreation on MFL lands. In 1992, a new rule was enacted at the request of landowners that allowed them to receive consideration for recreation which did not alter the physical landscape, making hunting leases allowable. In 2006, an industrial landowner changed its ownership interest on over 10,000 acres of previously open land in order to close it to public access and lease it out for hunting. This compromised the public benefit of open lands for recreation that the MFL program was to provide. In 2007, in an effort to preserve this benefit, the Legislature passed a new law prohibiting the receipt of compensation or consideration for allowing recreation on MFL land, in effect returning the program to its original provisions. In 2008, a compromise bill was introduced in reaction to the large volume of complaints legislators received from landowners about the prohibition. No action has been taken on it.

The MFL Task Group contacted private landowners to find out their reaction to the change by asking:

1. Do you agree with the change?
2. Did you lease MFL land for recreational purposes?
3. Do you intend to withdraw from MFL because of the change?

The Task Group divided the landowners into four classifications, assigning a member to gather information from each. Following is a summary of information they were able to gather from the responses received:

1. Industrial Forest Landowners – Landowners leasing prior to the change were not happy with the change, and did not think it would protect the MFL program from dissolution. Most landowners that didn't have closed lands were happy with the change and thought it would protect the integrity of the MFL.
2. Private Non-industrial Forest Landowners who are members of Wisconsin Woodlands Association – Detailed data from members was not available, but Nancy Bozek of WWOA said that the organization does not agree with change, and believes it penalizes MFL landowners who exercise property rights. WWOA believes leasing funds management activities. It views MFL as a contract that's been broken.
3. Private Non-industrial Forest Landowners who belong to Family Forests or Forest Cooperatives – Though none of the respondents had been leasing for recreational purposes, they were largely opposed to the ban as they would lose the option of future leasing or their ability to lease hunting land from others.
4. Individual Non-Industrial Non-affiliated Forest Landowners – Landowners appeared equally divided on the change, dependent on the market for leasing and whether or not they planned to lease. Most did not lease for recreation. Few considered withdrawing because of the change, though some might not renew.

A clear conclusion that the Task Group was able to make was that there is a significant amount of discontent about the change, and that the reasons for it need to be addressed.

The following are the recommendations of the Task Group to the Council on Forestry:

- That further consideration is needed to ensure that current changes do not create unintended consequences.
- That there is need for a more thorough analysis of policy options for recreational access for MFL lands to protect public interest while providing incentives for private forest owners to enroll.
- That the Council support the necessary action by the Legislature and the DNR to critically review the current change to MFL prohibiting leasing for recreational purposes in light of the comments and opinions expressed in this report, and consider modifications that would be consistent with the intent of

MFL to encourage good stewardship of forest resources while minimizing abuses and negative consequences to private forest landowners.

Senator Vinehout warned that with the current budget shortfall, and pressure mounting toward a massive property tax reform, it is inevitable that the MFL program will be scrutinized. The only question is when. She cautioned the Council to think and act proactively, not reactively.

**DECISION ITEMS:**

- A motion by Bill Horvath (seconded by Leon Church) that the Council accept the final report and recommendations of the MFL Task Group passed unanimously.
- The MFL Task Group will continue, and will be charged with, in coordination with a DNR staff person appointed by Paul DeLong, the task of gathering information, based on input they've received combined with input from the Private Forestry Summit to be held in April, and feedback from Paul DeLong and the Natural Resources Board, to identify what the issues are.
- The MFL Task Group will come to the June Council meeting with specific actions that the Council can proactively work on to demonstrate the benefits of the MFL program to Wisconsin.

**ACTION ITEMS:**

- Paul DeLong will distribute the Department's testimony on AB 781 to the Council.
- Paul DeLong will assign a DNR staff person to work with the MFL Task Group on its charge.
- Senator Vinehout will request the release of the Legislative Council Opinion on the MFL contract question.

**Invasive BMPs Update – Fred Clark with Peter Murray**

The Forestry Invasives Leadership Team (FILT) of the Council on Forestry, which includes Jane Severt and Ken Ottman among its members, has been reporting to the Council for about three years. It now has four different parallel efforts going to address invasive species, and has been partnering all along with the Governor's Council on Invasive Species, under Peter Murray's leadership. Fred introduced Peter, who gave an update on the work of the Council on Invasive Species.

The Council on Invasives has taken a cooperative approach with the FILT because 1.) it did not want to duplicate efforts, and 2.) it felt that the FILT would do a better job with forestry invasives. The Council's primary charge is to work with the DNR to develop an invasive species classification system of all invasives: terrestrial, forestry, and aquatic, and put them into four categories:

- 1.) Prohibited,
- 2.) Restricted,
- 3.) Unrestricted, and
- 4.) Watch (not here yet, but coming).

Along with that system will come recommendations for the Agency as well as for individuals, on how best to manage the inventory. The classification system is now in final draft form. The DNR has made recommendations, and is finalizing it into an Administrative Rule. It will then go to the NRB for a public hearing, and then to the Legislature. Because the most effective control is prevention, and the most effective way to get prevention is through education, the Council on Invasives strongly supports the role of the Best Management Practices (BMPs) for Invasive Species.

Fred Clark gave a status report on the four BMP efforts of the FILT, the first three of which are being funded in part by grants from the U.S. Forest Service:

1. **Forestry BMP Track** – The Advisory Committee plans to conclude and approve the full BMP package at a two-day meeting in May. A stakeholder review and open-houses will be planned for the summer of 2008 to get input and build support. A complete document is expected to be ready by the end of 2008, with implementation and outreach occurring in 2009.
2. **Urban Forestry BMP Track** – The Urban Forestry Council is providing leadership. A stakeholder group is being formed. The DNR Urban Forestry Program is providing lead staff support. The intent is to be done by December 2009, and follow a pattern similar to that of the Forestry Track by bringing things to the Council as they get done, gathering input from user groups, formulating a policy, and introducing it for comment to the Urban User Group.

3. **Recreational User BMP Track** - The Advisory Committee, made up of recreational users, has been meeting since April 2007 with lead staff support from the DNR Bureau of Parks. It may be close to consensus on key BMPs for recreational users by June 2008. *The Advisory Committee has recommended that the Council on Forestry and the Governor's Council on Invasive Species co-sponsor the Recreational User BMPs, and that the Governor's Council on Invasive Species and the Wisconsin Council on Forestry co-sponsor the Invasive Species Awareness Month for recreational users in June 2009.*
4. **Right-of-Way BMP Track** – The FILT is scoping potential partners and process for developing Right-of-Way (ROW) BMPs. The initial scoping meeting will include DNR, Department of Transportation, and Public Service Commission staff. There is no dedicated funding to support the effort. There is interest and concern that the BMPs could be formally linked to the Invasive Species Classifications and Regulations being developed through the DNR rule process. *The FILT has offered the opinion that the Wisconsin Council on Forestry should continue to sponsor the ROW BMP effort as long as the effort remains voluntary. If stakeholders involved desire BMPs to become Standard Operating Procedures to support Invasive Species Rules, FILT recommends that the Council on Forestry step aside from sponsorship, and allow other partners to take over the effort.*

**DECISION ITEM:**

- A motion by Fred Souba (seconded by Leon Church) that the Council accept the FILT's report as written and the recommendations contained within it passed unanimously.

**Woody Biomass Harvest Guidelines Update – Jim Hoppe**

At its September 2007 meeting, the Council on Forestry agreed to sponsor the development of Forestland Biomass Harvesting Guidelines for Wisconsin's forests, using the Minnesota Forestland Biomass Harvest Guidelines as a template. The Council's Woody Biomass Task Force, chaired by Jim Hoppe, was charged to work on the project. An advisory committee was to be established to provide oversight. Jim identified stakeholders to serve on the Advisory Committee, which was populated in December, and had its first meeting in February. Geoff Chandler, Jane Severt, Pete Coutu, and Earl Gustafson are among those representing stakeholder groups on the Committee. Jim distributed a scoping document to Council members, as well as a copy of a presentation which he delivered at today's meeting outlining the process being followed in developing the Guidelines and identifying target dates.

The objectives of the Guidelines are to:

1. Lessen the effects of harvesting on forest sustainability,
2. Provide a tool for landowners, loggers, and forest resource managers, and
3. Ensure that woody biomass extraction is based upon the best available information.

Guideline development will focus on harvesting of forested areas within the context of sustainable and generally accepted forestry practices, and will address the protection of soil, water, and biodiversity. The Guidelines and a White Paper will be drafted by the Technical Team, led by DNR staff Joe Kovach, Carmen Wagner, and Eunice Padley. Experts in areas which could be impacted by harvesting will review the Guidelines, and send comments to the Technical Team, which will make revisions after considering the comments. The revised Guidelines will then be subject to stakeholder review by the Advisory Committee, which will provide feedback to the Technical Team. After any necessary revisions are made, the Guidelines will be sent to the Advisory Committee again for approval. In the event the Committee is unable to reach consensus on any issues, those issues will be brought to the Council for a decision. Once approved by the Advisory Committee, the proposed Guidelines will be brought to the Council on Forestry for its approval.

June 2009 was the original target date for adoption of the Guidelines by the Council, but because they are so urgently needed, that date has been moved up to December 2008. Though that timeline is rather tight, Jim thinks it is achievable since everything is laid out so well. Jim would like the Council to review the proposed Guidelines in September. They could then go through the public review process, and be ready for final approval by the Council in December as planned.

**ACTION ITEMS:**

- Jim Hoppe will bring the list of proposed Forestland Biomass Harvest Guidelines to the September 2008 Council on Forestry meeting for Council approval.

### **State Forester's Report – Paul DeLong**

Chief State Forester Paul DeLong distributed a new publication of the USDA Forest Service, Northern Research Station entitled, "Wisconsin's Forests 2004". He explained that since the 1930's, when forest inventories were initiated, a new inventory had to be done about every thirteen years. Around 2000, we shifted to an annual inventory. It took five years to collect the data for a full inventory, but now there is a rolling inventory in place from which data can be pulled at any time, and this publication is a product of it.

Paul also distributed postcards announcing the Great Lakes Forest Alliance Conference taking place in Madison June 23<sup>rd</sup> through 25<sup>th</sup>. It will focus on the status of the Forest Products Industry, looking at the economic, ecological and social aspects, and at where the industry is headed next.

A new study authored by Pam Porter's firm *P Squared*, and Vermont's *Biomass Energy Resource Center*, entitled "Heating with Biomass", was distributed electronically to Council members. It examines heating with wood in our schools. Paul expects there will be more to come on this.

### FY '08 Budget Reductions/Freeze

State budgets are facing shortages across the country as revenues are falling short of expectations. Wisconsin's is no exception. Agencies have been assigned dollar amounts for lapses, and are trying to assess how to deal with reductions that must be taken in this biennium and in the next fiscal year. A position freeze is on, and restrictions have been placed on travel. Forestry has a number of vacancies, and has asked for some exemptions from the freeze, but will not be able to fill vacant positions at will for the foreseeable future.

### FY '09 Federal Budget

The State and Private Forestry Division of the Forest Service took a significant cut, in the 60% range. The Stewardship and Urban Forestry Programs took reductions of over 80%. The Fire Suppression Budget is consuming ever increasing percentages of the agency budget. After five more years under current budget rules, the Forest Service will be doing nothing but putting out fires. Congress is trying to fix the Fire Suppression problem. The Agency is evaluating its role in sustaining the nation's forests. The states are in discussions with both the Administration and Congress about federal investments and the return on federal investments to the public from their work in State and Private Forestry. The caps in place leave little maneuvering room. There probably won't be a budget until after January 20<sup>th</sup>. Research took an 8% cut, and is expected to take further cuts in the next budget. The Agency is in a long-term predicament.

### FY '09-11 State Budget

Housing values are the single biggest item impacting the Forestry Account. If they start to drop in Wisconsin, as they have in many other parts of the country, there could be less money than obligations entering the next biennium. The process of putting together the '09-11 State Budget has begun. The DNR Secretary will be making recommendations to the NRB in August for consideration at its meeting in September. After Board approval, the Budget will go to the Department of Administration, and then on to the Legislature. The Governor's budget will come out in February. Paul emphasized that there are opportunities throughout the budget process for the Council to weigh in, and help inform the dialog.

At its December meeting, the Council decided to form a small group to identify the Council's priority items for inclusion in the budget, but it never transpired. Paul, therefore, asked the Council for items it would like to see evaluated as part of the Department's budget process. The Department's budget cannot be made public until the September meeting of the NRB, so the budget initiatives identified by the Forestry Leadership Team can't now be shared. Bill Horvath felt initiatives to be included should focus on energy independence and conservation. Some ideas put forth were Criteria and Indicators, a carbon credit demonstration by the Division of Forestry, Family Forest Stewardship demonstration projects, and a demonstration showing how we can involve private woodland owners in carbon sequestration. Tim Gary cautioned the Council not to treat budget and policy as the same thing. If it were to move forward too quickly with an initiative on, for example, carbon credits, it might well have to readdress the issue as it did the MFL leasing issue. Bob Rogers suggested that, in order to move the process of identifying priorities forward, Chair Souba form a subgroup to look at the issue and report back to the Council in June. If the Council is in agreement, Fred would draft and send a letter to Paul DeLong listing the priorities. The Council agreed on the process, and Chair Souba asked for volunteers to form the subgroup with him.

### DECISION ITEMS:

- A Council subgroup, consisting of Chair Souba, Ken Ottman, Bob Rogers, and Bill Horvath, will formulate a list of suggested budgetary initiatives for Department consideration.
- The subgroup will bring the list of suggested budgetary initiatives to the June Council meeting for approval.
- Pending Council agreement on the initiatives, Chair Souba will draft and send an advisory letter to Chief State Forester Paul DeLong listing the Council's priorities for inclusion in the State Budget.

### ACTION ITEMS:

- Paul DeLong will resend Council members a copy of the letter the National Association of State Foresters sent to the Chief of the Forest Service expressing its dissatisfaction with decisions made by the Chief.
- Paul DeLong will send Council members copies of the briefing papers that went out to State Foresters on the Federal Budget.
- Paul DeLong will include the Council on Forestry in the group of recipients that will be sent information in the next few weeks on the impact of the proposed Federal Budget on programs and the outcomes.

### Global Warming Task Force Update

The Agriculture and Forestry Subgroup of the Task Force has finished its work, and now the full Task Force is engaging in decision-making. The Interim Report of the Global Warming Task Force was sent out to Council members. Paul encouraged everyone to review and weigh in on it.

### **Legislative Issues – Tim Gary**

The Legislature's regular session has just come to an end. Tim summarized its highlights:

- AB 157 – Greenhouse Gas Management – Stalled in Assembly.
- AB 643 – Master Logger Certification Grants – Stalled in Senate. Would have expanded grants to include logger safety training. Unused surplus in the Master Logger Program now to fund safety training.
- AB 735 – MFL Administrative Changes – Stalled in Senate. Will be reintroduced in the next session.
- AB 753 – Deer Baiting and Feeding Penalties – Stalled in Senate. Changes must be made through bills.
- AB 781 – MFL Hunting Lease Rate Creation – Stalled in Assembly Forestry Committee. Rep. Wood's compromise bill, would have created a third rate category of closed land with hunting leases allowed.
- AB 813 – Non-biodegradable Plastic Bag Prohibition – Stalled in Assembly.
- CR 07-085 – Voluntary Certification of Firewood Dealers – Enacted into law.
- SB 15, AB 42, AB 504 – NRB Appointment of DNR Secretary – Stalled in Assembly.
- SB 523 – Great Lakes Water Compact – Stalled in Assembly. A special session is likely yet this year.

Bills not passed will have to be assigned new numbers and be reintroduced in January. Proposals often take two or three sessions to get passed.

### **Next Meeting and Adjourn**

The next meeting will take place on June 17<sup>th</sup> in the southwestern area of the state. It will be preceded by a tour for Council members on June 16<sup>th</sup>. Suggestions for the tour include the special project area designated in the Driftless Area for use of EQIP dollars or a look at work being done on invasive species introduction at the Kettle Moraine State Forest. Chair Souba charged Paul DeLong with the task of arranging for the meeting and tour.

In addition to the State Forester's Report and Legislative Update, the MFL Task Group will be on the agenda to propose specific Council actions.

The meeting was adjourned at 2:10 p.m.

Submitted by:  
Mary Brown, WDNR