

Meeting Minutes

Wisconsin Council on Forestry
Forest Products Lab – Madison, WI
December 18, 2007

Members Present:

Bill Horvath, Ken Ottman, Leon Church, Jim Heerey, Paul DeLong, Jeff Stier, Rep. Don Friske, Jim Hoppe, Bob Rogers, Sen. Bob Jauch, Fred Clark, Mary Jean Huston, Rep. Mary Hubler, Troy Brown

Members Absent:

Dennis Brown, Michael Bolton, Sen. Kathleen Vinehout, Fred Souba

Guests Present:

Jeanne Higgins, Mary Brown, Paul Pingrey, Steve Ruddell, Gunnar Bergersen, Lynn Wilson, Steve Schmieding, Sarah Gilbert, Earl Gustafson, John DuPlissis, Nancy Bozek, Merlin Becker, Darrell Zastrow, Allison Hellman, Rebecca Gass, Deb Kidd, Peter Aube, Jane Severt, Sara Bredesen, Mark Rickenbach, Gerry Mich, Geoff Chandler, Pat Murphy, Kathleen Kiefaber, Laura Wyatt, Stefan Bergmann, Mark Heyde, Dick Rideout, Chris Risbrudt, Ron Zellmer

Welcome and Introductions

In Chair Souba's absence, Vice-chair Mary Jean Huston called the meeting to order at 9:35 a.m., and welcomed Senator Bob Jauch to the Council. She expressed her gratitude to the Forest Products Lab for allowing the Council to use its meeting facilities. The other members and guests introduced themselves.

Wisconsin Forest Sustainability Framework – Mark Rickenbach and Rebecca Gass

Chief Forester Paul DeLong introduced Rebecca Gass, DNR Forest Planner, and Mark Rickenbach, Associate Professor, UW Department of Forest and Wildlife Ecology. He noted that Wisconsin has taken a leadership role in being one of the first states to engage a process of statewide criteria and indicators, and thanked the Council for being proactive in pursuing it.

Rebecca gave an overview of the Framework, a set of criteria, indicators and metrics that all of Wisconsin's stakeholders can use to assess the state of our forests. If adopted, it would create a common language, facilitating collaboration among a broad spectrum of stakeholders. It would help us focus resources on priority needs. It would give us a framework to use in completing our Statewide Forest Assessment, which is key to being competitive for federal funds. It would also provide data for certification assessments. The Framework consists of nineteen measurable indicators of sustainable forestry across seven different criteria:

- 1) Conservation of Biological Diversity
- 2) Maintenance of Productive Capacity of Forest Ecosystems
- 3) Maintenance of Forest Ecosystem Health and Vitality
- 4) Conservation and Maintenance of Soil and Water Resources
- 5) Maintenance of Forest Contributions to Global Carbon Cycles
- 6) Socioeconomic Benefits of Forests and their Ecosystem Services
- 7) Legal and Institutional Framework for Forest Conservation and Sustainable Management

The Framework will need to be updated from time to time as new data sources emerge and metrics become obsolete. Rebecca asked the Council to consider establishing a schedule for this process.

Mark explained that while selecting indicators, the Advisory Committee found that data did not exist to address several of them. To help eliminate these "data gaps", a subset of Committee members identified the following eight priority items that they encourage the Council to advance:

1. Delineate conservation and management lands.
2. Continue urban forest assessment.
3. Create models that analyze stand structure.

4. Increase frequency of WISCLAND.
5. Implement systematic monitoring specific to the Natural Heritage Index.
6. Create a common database for invasive plants.
7. Describe legal framework of forestry.
8. Reframe Framework toward environmental services.

Mark also explained that indicators on urban forestry are currently lacking due to the limited existing data. Over time, long-term data sets provided by the Framework could become powerful tools for measuring ecological, economical, and social change.

DECISION ITEMS:

- A motion by Bob Rogers (seconded by Leon Church) that the Council accept the *Forest Sustainability Framework* as presented and adopt it as Wisconsin's system of criteria and indicators passed unanimously.
- The *Forest Sustainability Framework* will be reviewed and updated as necessary every ten years.

Potlatch in Wisconsin – Pete Aubey

Pete Aubey is Resource and Mill Manager at Potlatch, a 100-year-old company which owns 1.7 million FSC certified acres across the nation. He is responsible for timberlands throughout the Lake States. He also serves on Minnesota's Governor's Task Force on Forestry and Climate Change Committee. He delivered a presentation on Potlatch, from its beginnings to the present, to the Council. Potlatch was originally a forest products company, founded in Potlatch, Idaho. It is one of the leading producers of private label paper products in the United States. It built Minnesota's largest sawmill, which is located in Bemidji. In 2006 it changed its structure and became Potlatch Timberlands, a real estate investment trust (REIT) with holdings in Arkansas, Minnesota, Idaho, and Wisconsin, where it recently bought 76,000 acres from Tomahawk Timberlands. A resource division called Potlatch Forest Holdings was formed, generating revenues from forest crops of all types. Potlatch Forest Products Corporation, a subsidiary, consists of real estate, pulp and paper, consumer products, and wood products divisions. The goal of the REIT is to grow its timberland, grow its timber values, and increase dividends from growing and selling timber. It has been growing at a rate of 1% per month, acquiring 250,000 acres in the past eighteen months. Potlatch will be back in Wisconsin on January 22nd and 23rd with FSC for a certification celebration. Its lands are also certified under the ISO 14001 Environmental Standard. It strives to be recognized as the forest practices leader in the industry and as a good steward of its land base through continual improvement, pollution prevention, and sustainable management. The Wisconsin Potlatch office is now located in the basement of the Great Lakes Timber Professionals Association headquarters in Rhinelander.

Forest Carbon Markets: Potential for Wisconsin – Steve Ruddell

Steve is a consultant who has been working with Forecon, Inc. of Rockford, Michigan for about two years now, and has worked with market-based mechanisms for the past ten. Forecon manages about 300,000 acres of timberland in Michigan, and is an approved Chicago Climate Exchange (CCX) forest carbon verifier. It has a subsidiary which is an approved CCX aggregator, or offset provider. Steve gave a Power Point presentation entitled "Forest Carbon Markets: Potential for Wisconsin".

The carbon market in North America is voluntary; it has no mandates. It is composed of two separate markets – Over-the-Counter (OTC), and the CCX. The OTC consists of buyers and sellers, and has no compliance requirements. The CCX is a trading exchange which requires 6% entity-wide U.S. emissions reductions from the time members join until 2010. These mandatory reductions create demand for offsets, which affects the price of offsets. CCX has a forestry component, and is the only place where forestry participates globally. Because there are no mandates in the voluntary markets, there is not much incentive to join. This has resulted in fairly low trading prices, now around \$2 per ton, for forest carbon offsets. In Europe, on the other hand, they are trading at around \$35, mainly because motivation to reduce emissions is generated by the mandatory market, which is governed by the regulations contained in the Kyoto Protocol. The United States is not a member of the Kyoto Protocol. The top four emitters of Greenhouse Gas emissions are China, the U.S., Brazil, and Indonesia. China and the U.S. lead because of fossil fuel burning, while Brazil and Indonesia contribute primarily through land use changes due to deforestation.

Forestry produces 20% of global carbon emissions. Efforts are being made to address this through market-based initiatives. Winrock, along with a group of NGOs in Brazil, has put together a paper for CCX that attempts to address forestation projects. CCX is now the only place where you can create a project as well as trade it. Growth can be traded. Managed forests are important because they not only reduce emissions, by sequestering carbon in growth and in harvested wood products, but prevent emissions as well, through substitution. Examples of substitution are using biomass rather than fossil fuels, or choosing to build with wood rather than non-wood materials, which generate, on average, 250% more emissions from the manufacturing process. There are managed forest offsets within CCX. Large landowners would find it easier to join than small ones due to significant start-up costs and the ongoing cost and work involved in meeting the annual reporting and verification requirements. It is possible, however, that small landowners could join together.

Steve's presentation is posted on the Council on Forestry page of the wisconsinforestry.org website.

Enhancing Assistance to Private Landowners Update – John DuPlissis and Pat Murphy

Pat is a Resource Conservationist with the Natural Resource Conservation Service (NRCS). John is Chair of the Enhancing Assistance to Private Landowners Task Group, which emerged from the 2004 Governor's Conference on Forestry. It has been working on two priority actions identified at the Conference:

1. To develop a market research survey to promote sustainable forest management on family forest lands specifically targeting non-participatory woodland owners, and
2. To identify ways to take advantage of the Farm Bill Program to provide more technical and financial assistance to private woodland owners.

John and Pat summarized progress made on these to date.

The idea behind the market research project was to find out exactly who our audience is, to learn just what messages we need to get out and what marketing strategies we need to implement to reach them before spending any more money on education. John was unsuccessful in obtaining a Forest Stewardship grant to complete the project, involving a series of focus groups with Wisconsin landowners. However, the group was able to move forward by working with a group from Yale, the Sustaining Family Forests Initiative, to host two focus groups that attempt to determine if their work on Market Segmentation is accurate and useful in helping organizations working with family forest owners become more strategic in meeting education, outreach, and service goals. This has helped to identify the target audience. Results are expected to be available by the end of the year. Funding of approximately \$35,000 is still needed, however, in order to complete work with the UW Survey Center to develop a plan to conduct additional focus groups that will provide the remainder of the needed information.

About two thirds of private woodland owners are eligible for assistance under the Farm Bill's Forest Landowner Enhancement Program available through DNR's Private Forestry Assistance, but most of the money for that program has gone to assist the fire situation out west. The 2008 Farm Bill is expected to utilize the Environmental Quality Incentives Program (EQIP) as the primary forestry practice implementation program. EQIP is a voluntary USDA conservation program for farmers and ranchers to treat natural resource concerns on eligible land. It provides technical and financial assistance to woodland owners, dependent on the approval of forestry practices by each county's EQIP Committee. In looking for ways to provide greater access to EQIP for forest landowners, John's task group looked at how EQIP dollars have been spent on Forestry over the last five years, and undertook two rounds of surveys with NRCS District Conservationists, DNR foresters, and Land Conservation Departments (LCDs). John and Pat gave a presentation on the results, which John summarized in a document entitled, "Opportunities for Funding Forest Stewardship Practices in Wisconsin through the U.S. Department of Agriculture's Environmental Quality Incentives Program", which was distributed to Council members. Some of the findings follow:

- Less than 1% of EQIP funds in each of the last five years were spent on Forest Stewardship practices.
- There is no single reason why so few EQIP dollars are being used.
- There is a definite need to raise EQIP visibility.
- There is a misconception that EQIP is solely for manure containment and soil conservation.

- It is felt that all groups receive adequate support from DNR Forestry, LCDs, and NRCS.
- There are no clear trends between perceived support and dollars spent on forestry practices.
- A good number of DNR foresters felt they didn't get enough support to promote the funding of forestry practices through EQIP. They're not being told not to; they're just not being told how.
- There is the need for a champion to work with the DNR on how to access programs.

The following are the recommendations of the Task Group on Enhancing Assistance to Private Landowners:

1. That the Wisconsin NRCS fill the NRCS Forester position, and that this position be strongly linked to the Department of Natural Resources Division of Forestry to provide support for the design and implementation of forestry practices, as well as continuing education on Farm Bill programs and the opportunities and process to access them for sustainable forest management practices.
2. That the Forestry Subcommittee of the NRCS's State Technical Committee work strategically to identify counties where there is a significant forest resources and where there are significant needs for cost-share assistance and promote the use of EQIP dollars to fund forest stewardship practices.
3. That the Chief State Forester ensure DNR Forestry participation on the local EQIP workgroup, as well as work to educate private forest landowners about the EQIP program and encourage their involvement in the public input.

Urban Forestry Action Plan – Ken Ottman, Dick Rideout, Ron Zellmer

Ken announced that Les Werner, currently Vice-chair of the Wisconsin Urban Forestry Council (UFC), will be taking his place as Chair in June. He noted that both the UFC Action Plan, outlined in the UFC 2007 Report, and the release of the USFS Urban Forests of Wisconsin: Pilot Monitoring Project 2002 coincided with the Governor's Global Warming Task Force Initiative. Both documents were previously distributed to Council members. Ken introduced Dick Rideout, DNR Urban Forestry Coordinator, and Ron Zellmer, who sits on the Forest Technical Committee of the Global Warming Task Force.

Dick gave a presentation providing an overview of the USFS Pilot Monitoring Project, which concluded in 2002, though the report was just released last month. It is the second of its kind in the nation. He noted that the areas sampled were those containing at least 1000 people per square mile and places with populations of over 2,500, which included a lot of rural and non-urban areas. Consequently, there are some variations in data between this and the UFC reports. All lands public and private were looked at. The inventory was done with Forest Inventory Analysis and Forest Health Monitoring. The Urban Forestry Effects Model was used to quantify the value of the urban forest. Dick highlighted some significant findings of the project and the conclusions drawn from them:

- The urban area covers around 3% of the state, and is projected to cover 8% of it by the year 2050.
- It contains a total of 26.9 million trees, with a replacement value of \$10.9 billion.
- The canopy cover averages only 14%; it should be closer to 40%. Services and benefits provided by trees are dependent on the size of the canopy. *We need to be planting new trees and maintaining existing ones.*
- There are a total of 56 species, with box elder being the most common.
- With 23% of trees being maple, and 20% ash, there is low resilience, and we are at high risk of catastrophic loss. *Biodiversity and quantities must be improved.*
- There are 5.2 million ash trees with a value of \$1.5 billion. The cost of removal and disposal would be between \$3 and \$4.5 billion, with a loss of 20% of canopy, and significant air quality effects. *EAB is a major economic and environmental risk.*
- Though there are a lot of large trees, the urban forest is relatively young.
- Annually, our urban forests provide about \$11 million in cooling savings, \$13 million in heating savings, avoid 50,000 tons of carbon emissions, and sequester 120,000 tons of carbon. The trees in the urban forest store over 2 million tons of carbon in their wood, worth \$41 million.
- Large trees provide the greatest benefit.
- Quite a number of trees show damage. Carbon is lost when trees die. *Management is critical. Young trees need maintenance. Empty spaces need trees.*

Since 80% of us live in the urban forest, and 85% of it is private, collaboration is essential. The numbers in the pilot project are conservative. The pilot should be implemented and expanded, and the inventory should

be continuous. Research is needed to quantify the ecological, economic, and social benefits of the urban forest. Trees help to control storm water, and improve water quality. They have been shown to improve business by providing shade and a more attractive, comfortable environment. The Green building industry has grown into a \$2.7 billion industry. We need to be able to show the data to policymakers.

Ron Zellmer gave a status report on the Forest Technical Committee of the Global Warming Task Force. Before the UFC was given a seat on the Committee, it was not looking at the potential resource we have in the urban forest, not even from a carbon standpoint. Now there is a good deal of enthusiasm about it because of the realization that it is something that can be acted on now. There is no need to wait for a breakthrough. The benefits are quantifiable, and we already have the resource, space, and know-how. EAB will take away 20% of our urban trees. We have to out plant it, and we can by leveraging a relatively small amount of money. Wisconsin's ecosystem can handle a lot of tree planting. It would take a private initiative with much of the funding coming from private nurseries and other entities, and would require the unified support of the urban forest community. Judy Ziewacz of the Office of Energy Independence is looking at urban wood waste, and how to make sure it gets into the biofuels stream, rather than just being mulched or burned at power plants. It is hoped that a UW Madison grant for cellulosic enzyme research will get us to the point where the wood waste stream will be a vital part of chemicals and fiber in the future. Wood fiber could replace the petroleum fiber in plastics.

Ken Ottman discussed a UFC proposal called "20 Million by 2020" that was sent to the DNR. Its goal is to achieve a 40% canopy cover in urban areas throughout the state. It will involve using the continuous forest inventory to assess what's out there, preserving the health of the trees we have, and planting more. Collaboration between local, state and federal government and the private sector will be necessary; the DNR Division of Forestry can facilitate this. Ken is confident that the goal is achievable.

State Forester's Report – Paul DeLong

Chief State Forester Paul DeLong announced that the Great Lakes Forest Alliance would be holding a conference in Madison this June, and distributed a flyer containing the details to Council members.

FY '07-09 Budget

Paul sent a summary of the final version of the '07-09 budget on November 1st, but wanted to highlight three items of significance:

- 1) An MFL Public Access Grant Program is in the process of being established. Rules still need to be written. It will involve a Managed Forest Land Board. The Council on Forestry can nominate someone to serve on the Board. The Governor's Office will be soliciting additional members from other areas.
- 2) The Stewardship Program was authorized for another ten years. The rule process is going forward on a change to it that would make county forests in 29 counties eligible for statewide funding on a 50/50 cost share basis.
- 3) There have been major concerns expressed about the legislative action prohibiting recreational leasing on MFL lands. It could impact the long-term health and sustainability of our forests. Representative Friske pointed out that it would be appropriate for the Council to inform the Governor that there are issues with the law. With this purpose in mind, Mary Jean Huston asked for volunteers to form a task group to work on getting the information on potential impacts necessary to frame the issues. Bill Horvath, Fred Clark, Troy Brown, and Bob Rogers volunteered. Representative Friske reported that there could be a hearing as soon as January on a bill that would create a separate third category of MFL land.

DECISION ITEM:

- An MFL Task Group, composed of Bill Horvath, Fred Clark, Troy Brown, and Bob Rogers was formed to gather information on potential impacts of the prohibition on recreational leasing of MFL lands.
- The MFL Task Group will bring recommendations to the March Council meeting for discussion.

FY '09-11 Budget

Paul hopes that the Council can discuss items for funding in the next biennium at the March meeting. The initial DNR budget needs to be done in January or February. It goes to the DNR Board in September. The Governor's budget comes out a year from February. In order to have a chance to impact it, the Council needs to make recommendations to the Governor and Legislature about priorities as soon as possible. To facilitate this process, Mary Jean decided to form a Council committee to pull together ideas from Council members on what priorities should be included, and to get them fleshed out by March. Ken Ottman and Troy Brown volunteered to staff this committee. Mary Jean will solicit more members.

DECISION ITEMS:

- A Budget Committee will be formed to facilitate selection of the Council's '09-11 budget priorities.
- The Budget Committee will bring a list of Council priorities to the March Council meeting.

ACTION ITEM:

- Mary Jean Huston will communicate with Council members not in attendance at today's meeting to see if any are interested in joining Troy Brown and Ken Ottman in staffing the Budget Committee.

Climate Change Task Force Update

The Agriculture and Forestry Subcommittee's initiatives can be viewed online on the DNR website by selecting *Environmental Protection*, then *Global Warming Task Force*, then *Policy Templates and Comments*. The deadline for making comments on its biomass initiative has been extended to January 18th. In addition to UFC's "20 Million by 2020" initiative, there are four other forestry related initiatives:

- Reforestation
- Conservation and Forest Conversion
- Avoided Deforestation
- Private Landowner Assistance

Earl Gustafson noted that comments are being solicited on the initiatives of the Electric Utilities, Transportation, Conservation, and Cap and Trade Workgroups as well. The Task Force will be meeting in January or February to decide what to do with the comments received.

State Lands Timber Sales Update

Since Chair Souba had requested the update, Paul chose to defer giving his report until Fred could be present to hear it. Although it takes a while to gather the data after timber sales are completed, Paul did distribute the calendar year figures to date, which show that quite an increase has occurred over previous periods.

ACTION ITEM:

- Paul will send the final 2007 State timber sales numbers to Council members electronically.

Legislative Issues – Rep. Don Friske and Sen. Bob Jauch

The MFL leasing issue (discussed in the State Forester's Report) is the hottest forestry topic in the Legislature now. Representative Friske has not seen the Workers' Compensation bill in Committee yet. It would adjust rates for mechanized versus hand cutting. Time is running out to move it through in the current session. He'd also like to see the MFL "fix-it" bill sponsored by Representative Hubler move through. Senator Jauch added that deliberations on the budget preoccupied the legislature, contributing to the delay. Some bills, that are noncontroversial or are agreed upon, will move through. There will be a resolution in the Senate asking Congress to make changes regarding Highway 39. Heavier trucks currently can't use one of its major arteries. The most important initiative in the state budget is an effort to recommend forestry resources as a primary means to address the need for the development of alternative fuels. We need to let the legislature know how we can do more in that regard, and why it would be worthwhile. We need to give the PSC latitude in allowing alternative fuels that address reduction of fossil fuels. The Senator expressed deep concern about \$200 million in state operations reductions contained in the budget. There could be dire consequences.

DECISION ITEM:

- State operations budget reductions will be a topic of discussion at the March Council meeting.

Next Meeting and Adjourn

The next meeting will take place on March 18th in Madison. Possible agenda items include:

- Climate Change
- Budget Recommendations
- State Operations Budget Reductions
- MFL Task Force Recommendations and Discussion
- Biomass Harvesting Guidelines Update
- Legislative Update
- State Forester's Report
- Deer Populations
- Economic Impact of Forestry
- Location and logistics of June Council meeting

The remaining 2008 meetings will take place on June 17th, September 16th, and December 16th.

The meeting was adjourned at 3:30 p.m.

Submitted by:

Mary Brown
WDNR