

## **Meeting Minutes**

Wisconsin Council on Forestry  
Forest Products Lab – Madison, WI  
March 13, 2007

### **Members Present:**

Bill Horvath, Ken Ottman, Leon Church, Bill Ward, Mary Jean Huston, Jim Heerey, Paul DeLong, Fred Souba, Mark Rickenbach representing Jeff Stier, Colette Matthews, Rep. Don Friske, Troy Brown

### **Members Absent:**

Sen. Russ Decker, Dennis Brown, Michael Bolton, Bob Rogers, Jeff Stier, Fred Clark, Rep. Mary Hubler, Sen. Roger Breske

### **Guests Present:**

Jeanne Higgins, Mary Brown, Bob Manwell, Paul Pingrey, Vern Everson, Larry Matthews, Tim Eisele, Stefan Bergmann, Gunnar Bergersen, Roger Nacker, Mark Heyde, Rep. Jeff Mursau, Steve Schmieding, Terry Mace, Earl Gustafson

### **Welcome and Introductions**

Chairman Fred Souba called the meeting to order at 9:35 a.m. Council Members and guests introduced themselves.

### **Legislative Issues – Rep. Donald Friske**

With the Senate now controlled by Democrats, and the Assembly still controlled by Republicans, with both under new leadership, the Legislature is going through an adjustment period, and is thus getting off to a slower than usual start. Committee work is ongoing and aggressive. A number of forestry issues are being addressed. Rep. Mursau is working on the Workmen's Compensation Bill. Some drafting discrepancies in the Weight Bill are being adjusted. There will be minor technical changes in different aspects of the language in the chapters that pertain to forestry. As Chair of the Forestry Committee, maintaining markets for our wood supply will be Rep. Friske's priority.

A Budget Repair Bill is up for debate on both the Senate and Assembly floors today. The Governor has proposed taking \$7 million out of the Forestry Mill Tax Conservation Fund to pay down Stewardship debt. Another \$4 million was proposed to be taken from the Transportation Fund to pay off General Purpose Revenue (GPR) obligations, but the Joint Finance Committee (JFC) decided to return it to the Fund to avoid lapsing it. JFC decided instead to take an additional \$3.6 million out of the Forestry Mill Tax Fund. Both of these proposed transfers from the Forestry Account will be voted on today, with the potential of reducing the Fund by \$10.6 million.

Rep. Friske will have more specifics to share on budgetary amendments or challenges, or on directions in which the Council should move at the June Council meeting.

### **ACTION ITEMS:**

- The issue of whether payment of GPR account debt is an allowable use of Forestry Mill Tax Conservation Fund monies will be discussed relative to the budget portion of the State Forester's Report today.
- The issue of what the appropriate basis should be for adjusting the Forestry Mill Tax and what constitutes appropriate use of the its funds will be an agenda item at a future Council meeting.

### **Woody Biomass Legislation – Bill Horvath**

Bill distributed three publications to the Council members. *Hidden Treasure*, a comic book funded by the US Forest Service and the Department of the Interior, is aimed at educating school children about forests and woody biomass. There have been 274,000 orders placed for it so far. *Inside Agroforestry* is a publication of the USDA Agroforestry Center, which is a joint project of the Natural Resource Conservation service and the US Forest Service. One component of the proposed Wisconsin woody biomass legislation calls for establishment of an agroforestry center within the University of Wisconsin system in the hope of bringing forestry and agricultural interests together. *Forestry Notes*, a National Association of Conservation Districts newsletter, contains an article on the next Farm Bill. The Administration's opinion on Forestry in the Farm Bill includes a recommendation to establish a wood-to-energy program.

The Woody Biomass Task Force is working on a final definition for the term "woody biomass". It will meet again on May 30 to finalize drafts of the components of the proposed legislation.

#### Selection of Final List of Components to Develop and Advance as part of Council-Sponsored Package

Bill gave a brief synopsis of each of the 31 components of the proposed woody biomass legislation for the Council members. At the last Council meeting, members agreed to let Bill know which of the components they could support and which they needed more information on. Bill went over a summary of the Council members' rankings and comments received. In many cases, respondents indicated that they needed more information before making a determination about components. In particular, they indicated a need for more information on the ecological and economic impacts of some of the items. However, there was consensus for support of seven of the components:

1. **Section 1**, which sets out state policy relative to woody biomass.
2. **Section 2**, which defines terms in the legislation.
3. **Section 3**, which lays out public policy to involve various state agencies in joint efforts to meet the objectives of the legislation.
4. **Section 4**, which will identify needed amendments to existing legislation.
5. **Section 6**, which would amend the Managed Forest Law to authorize several specific changes.
6. **Section 8**, which directs the University of Wisconsin to engage in woody biomass research and to create a center to conduct it.
7. **Section 17**, which sets out requirements for disposal of certain types of wood waste.

It was agreed that, although other components of the proposed legislation are important and worthy of pursuit in the future, it is of the utmost importance, especially with the Governor's Energy Task Force ready to take definitive action, to move forward quickly on the items where there is consensus and have specific language ready by June.

#### DECISION ITEMS:

- A motion by Mary Jean Huston, seconded by Colette Matthews, that the Council discuss a prioritized subset, being composed of Sections 1, 2, 3, 4, 6, 8, and 17, of the list of components of the proposed woody biomass legislation for Council support was withdrawn by Mary Jean without further action.
- A motion by Mary Jean Huston, seconded by Bill Ward, that the Council agrees to have Bill Horvath take Sections 1, 2, 3, 4, 6, 8, and 17 of the proposed woody biomass legislation back to the Task Force to be fleshed out with documentation attached, and to solicit Council input prior to the June Council meeting in preparation for Council recommendations to move them forward passed unanimously.

#### ACTION ITEMS:

- Bill Horvath will have legislative language attached to the briefing papers and distribute those briefing papers to the Council for input prior to the May 30 meeting of the Woody Biomass Task Force.
- Bill Horvath will share comments received on the briefing papers with Council members prior to the June 12 Council meeting.

### **Status of Forest Certification in Wisconsin – Paul Pingrey, DNR**

Paul gave a PowerPoint presentation entitled “Wisconsin Forest Certification Update”, identifying accomplishments to date, needs and future possibilities. The DNR is now in its fourth year of forest certification. It began the effort in hopes of staying competitive in global markets while retaining and growing Wisconsin’s forestry economy, of assuring environmental responsibility, and of continually improving land management programs. Since then, the demand for certified forest products has continued to grow. Public awareness of environmental issues is at an all-time high, due in part to such high profile topics as global warming and Hurricane Katrina. This may help to broaden certification’s appeal.

The half-million acres comprising the State Forest system have dual certification under Forest Stewardship Council (FSC) and Sustainable Forest Initiative (SFI) standards. Only one Corrective Action Request (CAR), on master plan monitoring, remains open. Hopefully it will be closed in the annual July audit. In response to interest expressed by the Land Division in exploring certification for its programs, this audit will be expanded to sample the remaining million or so acres of land that the DNR owns or leases, comprised of State Parks, Wildlife Areas, Natural Areas, Fishery Areas and other land. A full examination, required after five years by FSC, is slated for fall of 2008. This audit could possibly be expanded to cover all DNR lands if certification is found to look promising during the July scoping audit. In late March, there will be a hearing on an Administrative Rule, NR 1.26, which establishes a process through which a property manager can advertise for bids by hour, by acre, or by project for contracting. It would allow the DNR to contract with Cooperating Foresters for assistance on state land timber sale setup, which provides another tool for the Department to use in order to make progress on backlogs in state land reconnaissance and management.

The 27 County Forests which have chosen to participate in certification cover 2.4 million acres, of which 39% are dual certified under FSC and SFI, 54% under SFI only, and 7% under FSC only. Two counties are considering adding FSC to their current SFI only certificates to meet the demand for FSC wood. The second annual surveillance audit will be conducted in June. The counties have closed six CARs and still have six open. Trying to get all 27 counties to pull in the same direction is a challenge. One thing the auditors will be looking at closely this year is the process by which ATV policies are established.

Private lands are the state’s leading source of wood. The Managed Forest Law (MFL) program became certified under the American Forest Institute’s Tree Farm System in 2005. The MFL – Tree Farm Group is composed of 2,020,512 acres, making it the largest certified group of family woodland owners in North America. Although the Tree Farm standard only requires external third party reviews every five years, the DNR agreed informally to a mid-term review when the initial certification was completed. It will take place in the fall of 2007 in the Northern Region, with NSF-ISR Auditor Scott Berg assisting with monitoring. There are currently no CARs open. Streamlining MFL operations is a big issue with the DNR as it continues to work on the backlog of mandatory practices and the time that goes into plan writing. Because only about a fourth of our non-industrial private forestlands are enrolled in the MFL, a different approach to getting small private landowners involved in certification is being tested. The Wisconsin Healthy Forests Pilot uses partners, like Wisconsin Family Forests, to recruit landowners for a forest stewardship program and to provide services to them such as land management planning and help with plan implementation. There will be a scoping assessment late in the three-year pilot to determine qualification for group certification under FSC or Tree Farm standards. The first year, funded in part by grants from the Turner and Weyerhaeuser Foundations, identified 102 interested landowners with little recruitment effort. While the MFL – Tree Farm Group has satisfied the demand for certified paper, there is now a great demand for FSC solid wood. Paul asked whether or not the Council would be interested in seeing an issue brief on the possibility of dual certification of the MFL under Tree Farm and FSC standards.

A test evaluation of five National Forests for the feasibility of certification is nearing completion. The Chequamegon-Nicolet was one of the five chosen for review. The Pinchot Institute will release a report on the test this fall, which will help the Forest Service decide if certification is worthwhile.

#### **DECISION ITEM:**

- The Council decided to put off its decision on whether or not it would like to provide input on or request that DNR provide more information on the possibility of dual certification of MFL lands under Tree Farm and FSC standards until a later meeting.

### **Inventory of Wisconsin's Forests – Vern Everson, DNR Forest Resource Analyst**

The Forest Inventory Analysis (FIA) is the forest census of the nation. Information is collected, analyzed, and reported on trends and on the status of America's forests for a wide range of users. The first inventory took place in 1936. The 1998 Farm Bill required that it be done on a five-year cycle. The current inventory is continuous. No data is ever over five years old. Wisconsin has a partnership with the FIA program, assisting with data collection, analysis, report writing and reviews, and participating on the Regional Management Team. We pay FIA to double our plot intensity to improve the validity of data at scales below the state level.

#### Report on Updated Forest Inventory Data

About 46% of the total land in the state is forested. The total area of forestland in Wisconsin declined through the sixties, but has increased steadily ever since. The major forest type is the northern hardwood (maple, birch, and beech) followed by oak and hickory, aspen and birch, pine and spruce types. Both red and white pine growing stock volumes continue to increase, with growth exceeding removals by a wide margin. Jack pine volume is decreasing from heavy harvesting due to age. This trend is expected to continue. There was a slight decline in northern select red oak volume between 1996 and 2004. Other red oak is increasing, with growth exceeding removals. Hard maple volume has flattened out, while soft maple (red and silver) is increasing. Aspen growth exceeds removals. Ash continues to increase; as of 2004, there were 1.2 cubic billion feet, with growth exceeding removals. In summary:

- The amount of forest land has stayed about the same, the total now around 16.1 million acres.
- Maple/basswood remains the primary forest type.
- Public ownership increased slightly, now accounting for 31% of total forest land.
- Saw timber stand area increased.
- Stand acreage in younger age classes decreased, while older age classes are increasing.
- Growing stock and saw timber volumes continue to increase.
- Removals are about 50% of growth.
- Volume has increased for most major commercial species of growing stock, except for jack pine, select red oak and aspen.

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

The Governor has announced the formation of the Energy Task Force, which will be looking at energy alternatives and at how the state can go about meeting the energy standards that have been set. It will be important that the Council provide meaningful input and guidance to the Task Force.

The Governor will also be putting together a Global Warming Task Force, staffed by the DNR and PSC, to look at issues related to climate change. At this point, it's not certain whether the group will focus on specific issues such as emissions, or on a full range of issues, including impacts of warming on forests and other ecosystems. An announcement is expected by the end of March.

Leasing of MFL land will be a topic of legislative discussions this session. A loophole in the law allowed Tigerton Lumber Company to close off 11,000 acres of tax-law land in Shawano and Waupaca Counties last year after dividing the land into 80-acre blocks. .

Emerald Ash Borer eradication and control approaches were questioned in a Milwaukee Journal-Sentinel front-page article looking at the EAB issue in Illinois. A major problem is that trees have often been infected for a couple of years before showing any signs, so the EAB can go undetected. Illinois has released a decision to make control efforts, namely cutting ash trees, only at landowners' request. Paul forwarded this press release to Council members.

#### **ACTION ITEM:**

- Paul will send details about the focus and membership of the Global Warming Task Force to Council members when the information is available.

### FY '07-09 Budget

Paul went over a spreadsheet comparing the Forestry Account funded items included in the Governor's Fiscal Year 2007-2009 budget proposal with what was initially requested in the DNR budget submission:

- Mitigating Invasive Insects and Plants – Cost-share funding and EAB survey work were included.
- Managing Sustainable ATV Trail Systems – An ATV trail system prototype was approved.
- Strengthening Emergency Fire Response – LTE personnel to assist on heavy equipment was included, as was funding for a communication tower lease and Fire Tower Safety. The Cooperative Fire request was removed.
- Mitigating Forest Fragmentation – The MFL public access grant program was funded at \$1,000,000. The State Forest Legacy proposal was removed.
- Technical Transfer of Positions to Forestry – The DNR pilots were transferred from the Division of Customer and Employee Services to the Division of Forestry as requested. The Urban Forestry Grant Manager was not included in the transfer.
- Forestry Biomass Research and Development – This item was eliminated from the DNR budget and added to the Department of Commerce budget as a \$5,000,000 cellulosic ethanol item proposed to be funded by tipping fees.
- Costs to Continue (rent and fuel costs) – The facilities rent base increase request was reduced by 50%.

The Governor has proposed a ten-year reauthorization of the Stewardship Program that makes counties eligible for funds under the land acquisition portion of the budget, enabling them to add to County Forests by matching Stewardship funds. As to the issue of whether paying GPR debt is a constitutional use of Forestry Account funds, Paul noted that the acquisition of forests is specifically referenced as an allowable use of the funds.

The Fiscal Year 2007-09 budget takes \$13.5 million a year ongoing out of the Forestry Account for GPR debt reduction, as the Fiscal Year 2005-07 budget did. The additional \$3.6 million that the JFC has proposed taking out this year combined with the additional \$7 million that the Governor has proposed taking out would bring the total amount of Forestry Account money being used for GPR debt reduction this year to \$24 million, essentially emptying the account. Council members expressed concern about this, especially in the wake of so many forestry needs going unmet. The issue will be revisited after historical data on the use of the Forestry Account is obtained.

The budget proposal has been sent to the JFC for consideration; then it will be taken up by each chamber.

Paul added that the federal budget is also being debated. Cuts have been proposed to some significant State and Private Forestry programs which affect our capacity to do work here in Wisconsin. Federal Forest Stewardship, which is used for private forest land assistance, and Urban and Community Forestry funding, are slated for significant reduction.

### DECISION ITEMS:

- A motion by Bill Horvath (seconded by Leon Church) that the Council prepare a letter to the Governor, the State Legislature and the Natural Resources Board informing them that current activities involving the Forestry Account are of sufficient concern to the Council to be considered an issue worth pursuing into the future, and advising that the Account be used for appropriate purposes related to accomplishing the mission of protecting and sustainably managing Wisconsin's Forests, with an emphasis on unmet forestry needs passed unanimously.
- A motion by Mary Jean Huston (seconded by Colette Matthews) that the Council prepare a letter to the Governor, the State Legislature, and the Natural Resources Board in support of Stewardship as it is used to maintain large blocks of productive working forests, to enhance the ability of counties to add to the county forest system through cost sharing, and to further other forest conservation projects passed unanimously.

### ACTION ITEMS:

- Paul DeLong will send Council Members historical information on the uses of the Forestry Account.

- Paul DeLong will distribute the 2002 Forestry Account Audit Report to Council members or provide them with a link to it.
- Paul DeLong will send dates and locations of the upcoming Joint Finance Committee hearings on the proposed budget to Council members.
- Fred Souba will draft one letter regarding the Forestry Account, and one letter regarding Stewardship on behalf of the Council, and will send both drafts to the Council members for review before mailing them to the Governor, State Legislature, and Natural Resources Board.
- Paul DeLong will send Council members information on proposed reductions to Federal Forest Stewardship and Urban and Community Forestry.

#### **Next Meeting and Adjourn**

The next meeting will take place on June 12<sup>th</sup> in Green Bay, preceded by a field tour by Council members of the Wild Rivers Legacy Forest Project on June 11<sup>th</sup>. Mary Jean Huston will coordinate.

#### **ACTION ITEM:**

- Bill Horvath will try to arrange for a representative of the Flambeau River Paper Company to speak at a future Council meeting about cellulosic ethanol.

The meeting was adjourned at 2:30 p.m.

Submitted by:

Mary Brown  
WDNR