

Timber Advisory Council (TAC)
Meeting Notes
February 7, 2014

Attendees: JR Richardson, Traxys Power Group; Gary Melow, Michigan Biomass; Donna LaCourt, Michigan Department of Agriculture and Rural Development (MDARD); Rich Bowman, the Nature Conservancy; Bill O'Neill, Michigan Department of Natural Resources (MDNR); Debbie Begalle, MDNR; Jon Lamy, Louisiana Pacific; Mike McCuistion, Lowe Foundation; Jerry Grossman, Grossman Forestry; Donna Stine, MDNR

Attending via teleconference: Jessica Turino, Weyerhaeuser; Charlie Becker, Plum Creek; Kendra Butters; Steve Shine, MDARD; Amy Trotter, Michigan United Conservation Clubs

JR Richardson (JR) called the meeting to order and thanked everyone for attending.

Deb Begalle (Deb) handed out regional state forest plans (RSFP) sheets. JR asked how these are referred to in the land strategy plan and the land cap. Deb stated that they were addressed. The plans were signed by Director Creagh, MDNR, in December for 2016 year of entry. Inventory is done about 1.5 years before the timber sale. The plans are landscape level and management areas. The RSFPs are up to 61,000 prepared acres. This is 10% lower than prescribed acres. This is quite an increase from 53,000 acres previously. This is a 10 year period plan and is an average. This has been in discussion for years; it will give guide to foresters and biologists. The regional forest plan and strategic plan complement each other. The ability exists to make changes to the plan as it goes forward; it is fluid depending on the needs at the current time. The local managers have the authority to be flexible and deal with current issues as they come up.

Deb also handed out a sheet on the new Biodiversity Program. This came about because of a forest certification issue. Certification is a set of standards that have to be met and biodiversity is one of the standards. Our leading customers are asking that we be certified. In 2010, the FSC changed its standards and a major CAR was imposed on the MDNR. The plan must be in place within 90 days and completed by the next annual audit. The SFI issued minor CAR to the MDNR and gave until the next annual audit to complete. Deb went through the set of standards and discussed each step and how they are being addressed. Bill O'Neill (Bill) stated that the MDNR is looking at what the minimum standards are, and where it meets those standards and going is from there. This needs to be done by April, and the workgroup is meeting regularly to meet this deadline.

Rich Bowman (Rich) sent out an email about the US Farm Bill. The President is going to sign the bill in Lansing today. He discussed a few of the items in the farm bill that are important to the TAC. There are monies available through the farm bill for forestry; one program specifically is for cooperative work. There is a contract with KPMG to work with state agencies to consult on private/public partnerships and to put together a plan of work.

Rich and Bill discussed the USFS Sub-committee report-out.

Gary Melow (Gary) distributed an information sheet and discussed the ICC Biomass workgroup. The UP has a problem with power distribution and has come close to “brown-outs”. One solution is building transmission from other states. Biomass could be all or part of the power solution in the UP, and the workgroup has been discussing this and brought it to the Governor’s office. Coal plants could be converted to biomass. A second idea is an energy park/greenfield. Gary stated that they received positive feedback, cost and reliability is paramount in the state’s energy model. They were requested to bring harder numbers back to the Governor’s office; a more solid plan with partnerships determined. Biomass doesn’t have the same emissions standards as coal. The workgroup will have more information available for the next TAC meeting. Bill discussed the benefits of opportunities this conversion would provide within the state of Michigan.

Steve Shine (Steve) distributed a couple of handouts on the Qualified Forest Program (QFP) and the Forestry Assistance Program (FAP). The data is being put into a database and things are moving forward. The program is going well; they ran into a few bumps and worked through them and are now working well. Lansing staff are being accommodating and working through the issues as they come up. Some people were late in getting their applications in. One thing to work on is to get more qualified foresters available to write plans. All but about 30 contracts transferred. The bill numbers are 481, 482, 483, and 484. How many plans expanded under this program? Steve will supply this information to the TAC.

Deb discussed the MDNR’s Forest Resources Division (FRD) 2014 Timber Sale Plan of Work. There was concern that the numbers were down. She supplied a handout with the historical data and although it is down compared to last year, it is comparable to other years and the average. 2013 was a very good year and above the average. Salvage acres contributed to this. This fire season was low and let the staff stay out in the field, and sale preparation contracting contributed to getting the acres done. Contracting is increasing this year over last and will most likely increase again next year. Unbid sales are increasing and these are still offered again at reduced rates as the market dictates to get these sold. Very few sales actually go “unsold”. What data does the timber industry need to get the contracts sold more consistently?

Donna LaCourt (Donna) has started working for MDARD. You may recall she was the State Forester for the MDNR a few years ago. She is the new (as of Monday) Economic Development Specialist in the UP. She will be working very tightly with the Michigan Economic Development Corporation (MEDC). She is intending to spend time visiting with the timber industry to find out what its needs are and where she and MEDC, and the TAC can all work to try to accommodate these needs. She will be focusing on export and marketing forest products. JR would like a demonstration of what MDARD has to bring to the table, what they have done, and where they are going. Bill stated that Donna has worked overseas as well as in the US, and Michigan in general, and has a lot to bring to the table. Lacourt2@michigan.gov is Donna’s email address.

Bill discussed the FRD Strategic Plan. This is the priorities of the FRD and what it is going to do for the next few years. This is being finished now; it is in the executive office and is waiting on some tribal input. It was changed based on some comments that were heard from both the public and the industry. Over 90 percent of the comments were in agreement of the

plan. What is the reporting mechanism? There are goals and objectives identified and then an action plan must be written. There are very specific metrics that must be measured within the action plan.

MDNR Budget: Bill discussed where the MDNR and FRD are putting funds that benefit the TAC and the timber industry. This was in response to the TAC request. The Governor came out with his 2015 budget and it is expected that the budget will be out in June for the October fiscal year. Donna suggested using the trail grant funds to fund the road inventory proposal. Bill may ask some members of the TAC to speak favorably of the budget and give their support if it becomes necessary.

XX Surveyor/Forester conflict. Some surveyors are suing foresters for setting a forest line. Legislative action is required to update the licensing code for surveyors and foresters. Bill has met with the MDNR surveyors to determine what their standpoint was. Bill suggested maybe getting some foresters and surveyors together to determine what can be done. Both Bill and JR affirmed that if TAC support was needed to let them know.

Rich would like to have an update at the next meeting of two things: 1) where are we with the Timber summit request items; and 2) where are we with the white papers?

For the October 16 meeting, Bill will arrange for an MDNR plane to fly members of the TAC from the UP to the Lowe Foundation's facility near Kalamazoo. Please plan on having overnight accommodations on October 16.