



Four Forest Restoration Initiative

Quarterly Stakeholder Newsletter



Vision 2017: What's Next for 4FRI?

When collaborators began the Four Forest Restoration Initiative (4FRI), decades of data and current wood supply research were pulled together to build our foundational goal of mechanically treating 50,000 acres per year for our forests to become ecologically balanced, functional, and sustainable. As we've succeeded in many aspects, we have also gained a better understanding of the economic challenges faced by our wood product and harvesting business partners. Continuing in the "adaptive management" spirit, we are now preparing for our next steps on how we can meet our goal.

"Vision 2017" was developed by the 4FRI Industry Working Group and the Forest Service 4FRI team to create a conceptual strategy for accelerating all facets of forest restoration. This strategy intends to further successful work and to improve upon efforts that haven't met original expectations.

Vision 2017 was presented at the March 4FRI Stakeholder meeting by Steve Reidhead (TriStar) and Scott Russell (Forest Service). After summarizing conditions and the challenges faced with a large-scale, high value business model, they presented the group's re-thinking of how to continue the current 1st EIS contract while incentivizing non-committed acres for new industries.

Vision 2017 is a 20-point strategy under nine categories: 1) meet existing contractor needs across the region; 2) accelerate 1st EIS implementation through a new Request for Proposals (RFP) for 200,000–500,000 available (NEPA-ready) acres. Not intended to foster any singular type of contract, this RFP would invite many varying proposals to gauge the most appropriate and feasible for meeting our goal; 3) continue non-mechanical treatments to meet comprehensive restoration objectives; 4) ensure preparation for mechanical treatments proceed at a rate that meets contractor needs; 5) continue large-scale planning across the 4FRI footprint; 6) continue promoting activities that support restoration needs at state and national levels; 7) support appropriate funding and staffing of Forest Service teams; 8) work with industry and financing partners to attract qualified businesses; and 9) work to resolve long-term challenges such as biomass utilization and the development of cost-cutting practices by all.

Most of the presentation discussion revolved around the urgency associated with the distribution of an RFP for a range of NEPA-ready acres. While there remain questions, it seemed to be clear from the stakeholders and agency staff present that urgency was paramount. Vision 2017, while including many specifics, is also a concept that most agreed needed immediate action while we continue to work out some of the more formidable details—as we move forward, together.

Meetings

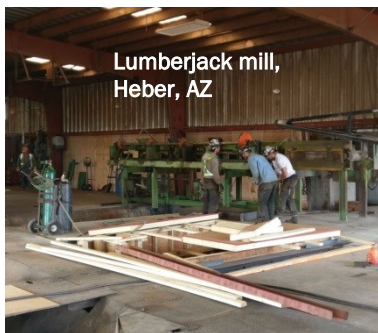
Natural Resources Working Group	May 16 June 20 July 18
<u>Greater Flagstaff Forest Partnership</u>	May 16 June 20 July 18
<u>4FRI Stakeholders</u>	May 24 June 28 July 26
<u>Multi-Party Monitoring Board</u> Contact <u>Bryce Esch</u>	May 10 June 14 July 12
<u>Comprehensive Implementation Working Group</u> Contact <u>Travis Bruner</u>	May 18 June 8 July 13

An online article from Treesource is worth a read: ["Western communities create partnerships to restore forests, protect watersheds."](#) The Flagstaff Watershed Protection Project is highlighted in detail. The article's ending quote from Mike Elson, Flagstaff District Ranger, sums up all of our work succinctly: "...there's an amazing level of interest in making sure this all works. We all know the community is depending on us."

Good Earth Power Version 2.0!

In late November 2016, a group of Arizona-based investors reinvigorated, reorganized and refocused Good Earth Power AZ, LLC (GEPAZ). Bill Dyer joined the team as Chief Operating Officer and has since spearheaded the changes in GEPAZ's 4FRI contract's business model. Bill's first priority was to build a partnership with Knight Transportation, a Phoenix-based operation that prides itself on "always striving to simplify operations, reduce costs, increase safety and keep our trucks and trailers operating at high efficiency." Secondly, the investment group financed the upgrades to the Lumberjack Mill in Heber, including installing more efficient equipment to increase production and quality, reduce downtime, and improve the overall efficiency of the mill. The upgrades, which are underway now, are scheduled to be completed in May 2017.

One of Bill's favorite analogies is the "three-legged stool." He compares the success of this endeavor to building partnerships in the three main parts of this operation: logging operations; transporting material; and final sawmill processing. "With Knight Transportation's expertise in trucking and logistics and the upgrades to the Lumberjack Mill, we have two legs of the stool," Dyer says. The third leg is for GEPAZ to find the best loggers to increase our presence in the forest. Currently, GEPAZ is reaching out to Arizona-based loggers who



have expressed an interest in working with us while also looking at quality out-of-state loggers who are looking to expand their business into Arizona. "This will help us complete the third leg of the stool." Bill's vision, along with his group of investors, is to continue building relationships with existing Arizona-based wood industries to assist us in protecting and restoring Arizona's forests for future generations. -Jay Smith



Before (above) and after (below) treatment by GEPAZ



Selecting and Scheduling Forest Treatments: Finding the Ecological/Economical Sweet Spot

The Ecological Restoration Institute partnered with the Rocky Mountain Research Station and the 4FRI ID team with additional technical experts to address a key question in the implementation of the first million-acre EIS in the 4FRI landscape: where on the landscape can we optimize task orders for both ecological values and economic values? The project's goals were: 1) to identify stands where high restoration value overlapped with high economic value; and 2) to identify stands where additional subsidies may be needed to meet restoration goals. Initial modeling runs suggest optimizing treatments for both ecological and economic values can accomplish ecological restoration almost as quickly as optimizing for restoration values alone, while maintaining a positive net revenue, across a substantial area of the treatments.

The study sought to add an economic component to restoration implementation and prioritization, which was not included in the planning phase. Other applications included improving agency understanding of the economic value or cost of current task orders, compared with an optimized set of task orders. This work helped stakeholders gain a greater understanding of the trade-offs when managing for multiple values. Industry partners were interested in how to better sequence treatments for a feasible mix of potentially profitable stands with more costly treatment units. The stakeholders were interested in adding other ecological values to the modeling effort and refining the economic layers to better understand the impacts of different product mixes on optimization scenarios. Refined product layers may also better inform task order marketing to potential industries.

Contact our 4FRI Stakeholder Group Co-Chairs: [Pascal Berlioux](#) [Travis Bruner](#) [Steve Gatewood](#) [Tommie Martin](#) [Allen Reidhead](#)
[Steve Reidhead](#) [Sue Sitko](#) [Greg Smith](#) [Paul Summerfelt](#) [Diane Vosick](#) [Paul Watson](#) [Jason Whiting](#) [Brad Worsley](#)

Productive Industry Roundtable Helps Coordinate Wood Supply

On April 11, the 4FRI Industry Working Group, Forest Service, and business/industry stakeholders held an “Industry Roundtable” meeting in Holbrook, Arizona. This was an opportunity for the Forest Service to present their schedule of upcoming sales across the 4FRI footprint (now available [here](#)); discuss harvesting, hauling, and processing issues or concerns with industry members; collaboratively develop more efficient practices; and essentially create a working model of cooperation and understanding of agency wood supply processes and the needs of industry partners.

Dick Fleishman, 4FRI Implementation Officer and participant in the roundtable, supports these annual efforts. “By communicating better with industry, they can help us understand their needs,” he said. Brad Worsley, owner of NovoPower biomass power plant and Industry Working Group chair, added “both of our jobs become easier when we understand where each entity is coming from.”

The roundtable was attended by 35 people, including the above-mentioned industry and agency representatives, as well as other 4FRI stakeholders, from county supervisors to conservation interests. Diane Vosick, Director of Policy and Partnerships for the Ecological Restoration Institute at Northern Arizona University and a 4FRI Stakeholder Group co-chair, felt that the discussion was tremendously valuable for all who attended. “It was a rich conversation, and it’s good for non-industry stakeholders to hear about their challenges.”

Also in attendance were staff members from legislators Tom O’Halloran, Jeff Flake, and John McCain. Senator Flake’s representative gave a Congressional outlook for this upcoming session, and provided insights on the negotiations on fire borrowing at the federal level, the federal highway program weight limit process, and other issues of interest.

Public Workshops Seek Input on Rim Country EIS Alternatives

The Forest Service continues to make progress on the Rim Country Project planning process, and has again enlisted the help of the public. Co-hosted by the Forest Service and the 4FRI Stakeholder Group, two public workshops were held in Payson and Show Low for the public to help develop alternatives for restoration activities. A no action alternative (Alternative 1), the modified proposed action (Alternative 2), and two other action alternatives are being considered for analysis in the draft Environmental Impact Statement (EIS) due later this year.



These workshops were additional opportunities for the public to be involved outside of any of the formal comment periods outlined by the National Environmental Policy Act, the next of which will be when the draft EIS is published.

Approximately 25 people attended in Payson, April 13 and 38 people in Show Low, April 18. The Forest Service provided a brief presentation at the beginning of each meeting, introducing the Rim Country planning process and its current stage of refining preliminary alternatives. Attendees separated into small work groups where they discussed whether the preliminary action alternatives were reasonable and addressed the significant issues for the Rim Country Project, and provided input on their interests and ideas.

Interests brought forward included riparian and stream habitat improvements; economic viability of treatments; ensuring ecological needs drive treatments; and effects of treatments on recreational trails, among several others. Each alternative will identify locations for mechanical thinning, prescribed fire, and other restoration treatments within the Rim Country’s 1.24-million-acre project area. Ultimately, one alternative or a mix of treatments from different alternatives will be selected in the draft Record of Decision expected in the fall of 2018. The preliminary alternatives and other Rim Country documents can be found online at

www.fs.usda.gov/goto/4FRIRimCountry.

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Power of Collaboration: Success Under Pressure

Part of the Arizona state budget process includes program reviews to determine if they continue to add value to the state's coffers and to sunset programs perceived as no longer of value. One program under review was 2004's Healthy Forest Enterprise Incentives (HFEI), which helps forest product businesses by offering tax exemptions on purchases such as fuel and parts and tax credits for employment, training, and other items.

As a result of the review, parts of HFEI were embedded in H.B 2528, legislation eliminating various minimal-value programs. 4FRI stakeholders across northern Arizona immediately identified the risk to forest restoration efforts, and contacted other stakeholders through multiple channels. Pascal Berlioux from Eastern Arizona Counties Organization contacted industry members who use the program to compile financial impact data, and with others, organized action among the 4FRI collaborative network. Navajo County Supervisor Jason Whiting began engaging key legislators as well.

While certain tax credit programs within HFEI have received either little or no use at this time, this proposed legislation could have dealt a significant blow to several wood harvesters/processors across the 4FRI footprint who in fact do use either these, or other, HFEI benefits, or to emerging businesses that may start up as treatment acres increase. Several of these businesses are active 4FRI stakeholders or work in the 4FRI footprint.

Aware of what could be an impact to these forest product businesses, this group of 4FRI stakeholders sprang into action. Berlioux began drafting a letter of support for the program on behalf of ECO, the Natural Resources Working Group, 4FRI, the City of Flagstaff, AZ Commerce Authority and others. Supervisor Whiting visited with the House Speaker and Senate President and helped craft a friendly amendment to be reviewed at the next committee hearing. Other organizations contacted their sources within the state government.



In less than a week, an amendment was presented in a Senate committee by House Speaker J.D. Mesnard, removing from H.B. 2528 the language that would have cancelled some of HFEI tax credits. The accompanying photo shows Speaker Mesnard and Supervisor Whiting at our state capitol after successfully preserving the integrity of the HFEI program.

As a result of quick work and collaboration, the 4FRI stakeholders worked together to change pending state legislation, effectively protecting important programs that help support the forest product industry in Arizona. Congratulations!

In more industry-related news, The Nature Conservancy (TNC) would like to share the following updates:

- For those interested in TNC's work to develop tablet-based technology to facilitate cutter-select harvesting, a short video describing how the technology helps USFS, harvesters, and monitoring efforts can be found on www.nature.org/azforests.
- A 10-year Master Stewardship Agreement (MSA) was signed by Regional Forester Cal Joyner, and TNC State Director Pat Graham, on March 14, 2017. The purpose of the agreement is to streamline processes and reduce the cost associated with planning, prep, administering, and implementing timber sales to accelerate restoration and help all parties achieve the goal of thinning 50,000 acres/year across 4FRI. TNC's initial project under the MSA is to restore 20,000 acres over a four-year period on the Coconino and Kaibab forests and continue implementing technological and other process innovations while developing economic information needed to sustain and enhance industry investment within 4FRI. Restoration work is anticipated to begin in June 2017. TNC will competitively bid all harvesting, hauling, and associated road maintenance services.
- In the fall of 2016, TNC entered into an agreement with the Newpac Fibre mill in Williams, Arizona. Under the agreement, TNC would harvest logs from two Newpac timber sales on the Kaibab NF and sell the logs to Newpac to provide a wood supply to support mill production during the winter months. The agreement also provided the opportunity for TNC and Newpac to develop the working relationship needed to facilitate a Stewardship Agreement anticipated for the 2017 operating season on the Coconino and Kaibab forests. December weather kept TNC from reaching restoration targets, but restoration work and log deliveries resumed this month.

Salt River Project Biomass Test Burn at Coronado Generating Station



Salt River Project's (SRP) water supplies originate on the Salt and Verde River watersheds, an area that covers more than 13,000 square miles in central and eastern Arizona. Wildfire events create erosion, sedimentation and water quality issues that impact water storage and delivery infrastructure. Approximately half of the acres included in the planning area for the Four Forests Restoration Initiative (4FRI) overlap with the Salt and Verde River watersheds. The recognition that the health and resiliency of the forest directly impacts SRP's water supplies is why SRP continues

to support and be engaged in the forest restoration efforts spearheaded by 4FRI.

One of the founding principles of 4FRI is to create value in the woody material removed from forest restoration sites to pay for the restoration. The large amount of biomass per acre in the 4FRI area has shown to be a challenge in reaching the 50,000 acre per year restoration goal of 4FRI. To be part of the solution, SRP has embarked on an effort to identify the feasibility of utilizing woody biomass residue from 4FRI restoration sites as a supplemental fuel source at Coronado Generating Station (CGS) in Saint Johns, Arizona. If successful, this effort will expand the market value of biomass in northern Arizona, but is not intended to replace the existing coal source at the plant. Since CGS was not designed to utilize biomass as a fuel source, SRP conducted the feasibility experiment to determine if biomass could be added to the existing power source; and if so, to what extent, without requiring changes to the equipment in place.



In addition to understanding the physical and operational impacts of integrating biomass into the CGS fuel supply, the test also aimed to gather information on the supply chain of harvesting, processing, and transporting biomass from active restoration sites in northern Arizona to CGS. During the development of the test, the state of Arizona showed interest in understanding the biomass supply chain in northern Arizona. Biomass sources from State Trust and City of Flagstaff lands provided suitable ponderosa pine material for the test as well as an opportunity to gather transportation cost information for relatively long distances.

Ponderosa pine biomass (stems less than 6 inches diameter, limbs, and needles) was chipped down to ½-inch maximum, and fed directly onto the coal conveyor, blending in with the coal. Over a 45-day period, SRP conducted 21 days of testing at various blends of biomass ranging from 2 percent to 5 percent with coal on CGS Unit 1. The initial test period showed that a mix of 5 percent material would not be possible without modification to the plant, but that a mix closer to 2 percent may be possible without significant long-term modification to the plant. Further testing is needed to gather better information on plant performance at lower biomass levels. SRP is continuing to evaluate data from the first round of testing in order to better understand the impacts of integrating biomass into the regular fuel supply of the CGS.



-- Photos and article by B. Hallin, R. Klawitter, and Salt River Project

Upcoming Forest Health Activities



May 6: Harvesting Methods & Wildfire Preparedness Open House, 10 a.m.—1 p.m., Flagstaff Aquaplex

Forestry and fire staff from the Forest Service, city, state and many other partners will present current and planned thinning operations. Community members will have photo opportunities with Smokey Bear, NAU's Louie the Lumberjack, real woods loggers, and fire fighters, as well as up-close experiences with logging equipment and fire trucks. This event, hosted by the Greater Flagstaff Forests Partnership (GFFP), is sponsored by the Fire Adapted Communities Learning Network (FACLN) and held in conjunction with National Wildfire Community Preparedness Day.

May 12 (deadline): Landscaping Contest for Firewise Concepts

The GFFP and FACLN are also hosting a Firewise Landscaping Contest. The contest recognizes homeowners' efforts in creating a Firewise home, while also demonstrating Firewise landscaping attractiveness. By reducing the density of flammable vegetation, cleaning up pine needles and flammable debris, moving firewood away from structures, and using effective Firewise landscaping trees and shrubs, this contest reinforces concepts that reduce the community's risk to wildfire. A total of \$1,000 in prizes will be awarded to top contestants. **The deadline for entries is May 12 and judging will begin May 15.** Winners will be recognized at an awards luncheon on May 23, 11:30 a.m.-1:30 p.m. at the 1899 Bar & Grill on NAU's campus. For more info: Firewiselandscapecontest@gmail.com.



June 10: White Mountain Forests and FIREWISE Fair, 10 a.m.—2 p.m., White Mountain Nature Center, 425 S. Woodland Road in Lakeside

It's been 15 years since the Rodeo-Chediski wildfire stunned our state—and pushed us into action! This fair will engage the public, especially youth, to learn how we're protecting our area's forests and watersheds. Various presentations, nature walks, displays, and even a working sawmill will demonstrate why it's important to thin our forests; how thinning and other treatments safeguard our communities, and what programs we have for citizens to support and join in. Learn, too, how the thinned trees are being creatively used to support our area's economy. This event will showcase the strong and diverse partnerships that make our region a leader in addressing forest health. Heavy equipment demonstrations, wood carving, chainsaw artisans, and much more! Supporting partners include Town of Pinetop-Lakeside, University of Arizona, U.S. Forest Service, Natural Resources Working Group, Pinetop and Timber Mesa fire districts, Arizona Department of Forestry and Fire Management, local industries, and White Mountain Nature Center. For more information, visit www.wmnature.org.

Stay Connected

Visit our 4FRI Stakeholder website, www.4fri.org, to learn more about our collaborative efforts to support forest restoration across northern Arizona.

The U.S. Forest Service has a comprehensive 4FRI webpage, www.fs.usda.gov/4fri, that holds all of the public documentation records of the 4FRI project, including maps, contacts, planning procedures, and public input opportunities.