



**4FRI Stakeholder Group Meeting**

Wednesday, March 28<sup>th</sup>, 2018 9am-12:50pm  
 Arizona Game & Fish Region 1 Office (Pinetop)  
 2878 E. White Mountain Blvd., Pinetop, AZ 85935

Teleconference line: (712) 775-7031, code: 439290611#

Attendance: Pascal Berlioux, Greg Smith, Allison Jourden, Laura Jo West, Art Babbott, Bruce Greco, Jay Smith, Todd Schulke, Travis Woolley, John Souther, Amy Waltz, Scott Lear, John Ward, Randy Fuller, Sue Sitko, Joe Miller, Steve Reider, Nate Rees, Tim White, Ken Cox, Adam Cooley, Bob Vahle, Annette Fredette, Travis Bruner, Keith \_\_\_\_ (ohalleran's office), Jeff Halbrook, Brad Worsley, Lynn Krigbaum, Wendy Jo Haskins, Dick Fleishman, Henry Provencio, Justin Schofer, Mary Lata, Kevin Reidhead, Steve Rosenstock, Andrew Vaulkmer, Steve Flora, Kyle Trujillo, Dorothy HOLasek

**9:00 Introductions**

**9:05 Approve minutes from the January 24<sup>th</sup> SHG meeting** — Berlioux - Approved

**9:10 Review action items from the January 24<sup>th</sup> SHG meeting** — Berlioux

<b>Action Item</b>	<b>Lead</b>	<b>Status</b>
1. SHG to get feedback from the FS on the RFI discussion.	FS	Complete – to be included with FS update
2. Provide topics to Annette on what the SHG would like the CFLR national team to discuss during the 4FRI stakeholder group meeting attendance	SHG	Complete
3. Send comments on to Travis on the NEPA process letter he posted on BC by Friday, 1/26	SHG	Complete
4. Incorporate comments on Travis' NEPA letter into the document and post another iteration on BC by Tuesday, 1/30	Bruner, Vosick, Babbott, Berlioux	Complete
5. Review of field trip for February SHG meeting. PWG to provide photographs of the field trip to the SHG as visuals	PWG	Pending – Field trip was postponed. Keep action item open to report at next meeting
6. Incorporate standing Industry Update on all future SHG Agendas	Jourden	Complete
7. Send comments on second draft of the CWG brochure to Sue by February 2 <sup>nd</sup> .	SHG	Complete
8. Consider organizing a field trip with industry where interested parties and the public can tour an active logging site. Consider adding a media focused field trip?	CWG	Pending

<p>9. Discuss the possibility of producing comments on the CFLRP October report</p>	<p>SC</p>	<p>Complete – question of whether or not the shg would like to produce comments was posed.</p>
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**9:15 Call to the Public**

Krigbaum provides fliers and information to the group regarding upcoming events on the east side/lakeside district. She presents a map showing motorized and hiking trails in the Apache Sitgreaves lakeside district area. On April 27<sup>th</sup> & 28<sup>th</sup> there will be an event called the 3<sup>rd</sup> annual Arizona WUI and Firewise Summit: Living with Wildfire. There is a run to benefit the Tilman Foundation taking place on April 14<sup>th</sup>. Finally, the Love Kitchen in Pinetop is having a fundraiser called hogs and hotdogs. Krigbaum is to email these fliers/ documents to Allison who will post them on BC for people on the phone or not in attendance to access.

**9:20 USFS Update - 4FRI Coordinators**

Rim Country Project Update – The ID team is working through the final details data runs and models of the action alternative and the effects of the different restoration activities proposed. The FS expects to have the draft EIS out for comment by October/November 2018.

RFI/RFP process update: The FS is committed to aligning their contract offerings with current industry capacities and enabling opportunities for industry to grow. The RFP is the mechanism used to offer up timber. The FS feels they're about a year or so out from the RFP as there is a lot of work to be done concerning FS due diligence and increasing their probability for success. They want to accelerate in a way that's economically and ecologically sustainable at the landscape scale. They've been discussing with their attorneys different mechanisms that can be used to work with various partners. They've been improving efficiencies in all of their business practices to ensure they're able to meet their contractual and social commitments. The FS has helped develop a national DxP training which is being piloted in Flagstaff and they've also developed a new internal approval process with the purpose of enabling the FS to take different avenues in business. They've created a learning laboratory with TNC to test efficiencies during implementation. They're forming a group of agency experts that include folks from grants and agreements, logging, logging contracting, appraisal systems, and 4FRI to work together to determine which tools they have at their disposal to convey timber.

The FS will participate in the national timber purchasers committee meeting as panel members and also participants in a planned field trip. This is an opportunity to hear from entities who are buying national timber. There was an estimate that six new large mills are being constructed in the southeast so they're interested in learning from industry which factors have allowed them to do so what which setbacks they've faced in the process.

Holasek – Wants to know if anyone at the FS has approached the secretary of agriculture and asked him to go to congress to propose changing their log export laws so that the US can compete with Australian, Chinese, and Japanese industries in the small wood market? As government employees, the FS is barred from taking that sort of action but stakeholders are

able to do so if they so wish. Fleishman states that the Forest Products Modernization detail is addressing this topic to look at change in export law at the national level. Berlioux let's Holasek know that many people in this group are involved with policy discussions in DC.

Brekhus - Offers to place a phone call to Holasek that she may express her concerns to Congressman O'Halleran's office directly and that he can respond to whether or not this issue is being address by the Congressman's office.

Berlioux –Berlioux shares three items from the Omnibus Bill that he believes are critically important and directly related to work the SHG is participating in.

- 1) The omnibus bill includes a fire borrowing fix. Berlioux points out that TNC has been critical nationwide in moving that stuff forward.
- 2) The bill includes an extension of the Stewardship Authority to 20 years.
- 3) The bill includes a fix to the FAR 17 "cancellation ceiling" requirement.

He expresses appreciation to O'Halleran on the Omnibus Bill. An increase in the stewardship authority to 20 years is critical because it now allows industry to invest with a more realistic 20 year amortization and return on investment period. Requests that when the FS has interpretation language from Dep. of Agriculture on the Interim directive that they then report to the SHG what the new language enables us to do.

Tom Torres will be filling in as Chief Executive of the 4FRI board for the next two months as Scott Russell has accepted a Forest Supervisor position on the Shasta-Trinity forest in California.

The Industry Round Table occurred in March and was very productive. One subject they discussed was the 20-year stewardship agreement. The time it takes to get from a bill to an actual directive to the FS is significant. It could take as long as a year for the initiatives within the Omnibus bill to take effects.

DxP processes and on how to ramp it up and implement it was a hot topic at the round-table. The Forest Products Modernization team developed a training to help get more individuals on the ground able to perform the designation.

Berlioux –Doesn't think there is anyone more experienced using tablet-technologies than Tri-STAR logging. Berlioux asks whether Tri-STAR could become involved in the training process. The FS intends to get Tri-STAR and other industry members more involved in the training processes down the line.

Operations Update – The FS is right at 46k acres that they expect to have offered in the next 6 months. Fire will be ramping down. Mechanical harvest will be ramping up.

### **9:50 Forest Products Modernization Discussion - Fleishman Fleishman presents slide show that was posted on BaseCamp.**

Senior leadership on the FS decided some things needed to be done differently to reach the desired pace and scale of large-scale landscape restoration. They identified various internal and external processes that needed updated and this turned into the Forest Products Modernization effort.

Forest Products Modernization isn't just the delivery of wood and biomass but includes much more to improve forest conditions and sustain rural economies. Changing forest conditions prompted the need for the development of this team as now nearly 80 million acres of forest and grasslands are in need of some form of restoration. Our non-fire workforce is at its lowest capacity in years and the forest products delivery workforce was nearly 40% larger in 1980 than 2016. The FS has less people now and a higher need for fire focused individuals so this requires stronger efficiencies in order to get the necessary work done. Our technology systems haven't been changed in nearly 30 years. Many of the production processes are also outdated and were designed for the sale of high-value timber, which no longer exists in large quantities.

The team is working on updating training processes for FS employees, examining and reforming policies to improve efficiencies through better use of technology, changing project management and delivery systems, changing the way we do business, and exploring change opportunities in all aspects of the forest products delivery system. They're examining changes in policies that can be made in alliance with FS and partner authorities. This team put a recommendation in to revisit national forest products export laws in an effort to better enable forest product delivery efficiencies.

The FPM team is looking at a back-fill process for bringing on fire personnel. They're looking at changing road packages in order for them to be more marketable and testing the use of a digital barcode system for log cataloging and sales. They're looking at revising the levels of certifications needed for personnel and the time/frequency required in completing the necessary certifications as the time spent on them is time not spent on the ground. They're looking at an alternative appraisal processes. Regarding contracting and permitting, they're revisiting what dictates a low-value product? The FPM team's ideas toward success are having a comprehensive national approach to modernization in place by winter 2019. Action Item: Dick requests comments/ feedback on efficiencies from the group for Forest Products Modernization.

Questions?

Miller – Joe's impression is that there is a lack of information available regarding conditions of the forests currently. There is a lack of data depicting forest conditions before and after treatments. Miller wishes there was more focus on the fact that a restored acre will add value on top of the sale of any timber that is produced from a treatment.

Lear – Will the process of changing the way business is conducted be formalized (spread nationally) or just internal? Lear has had discussions stating that internal changes have been most effective. Remaining bound by tradition is a danger. Fleishman doesn't believe a broad outreach has been made on this issue but that they are working with multiple internal/external entities.

Worsley – Believes a critical area of improvement would be the hiring practices of the FS. No business can be successful with the level of high-level position turnover that's taking place in the FS.

Berlioux – We were told that it takes 2 years to translate an action by congress into an action on the ground and Berlioux believes this is too much time. Pascal requests that Keith ask Congressman O'Halleran to send a letter to the secretary inquiring how business can be done

more efficiently and in a more-timely manner. The fire borrowing fix and the stewardship extension needs to take effect now and not in two years.

### **10:20 Novo Power Biomass Plant Operations / 4FRI Operations Impacts Update – Worsley**

Novo Power experienced an explosion in the boiler at their mill on October 18th. As of March 1<sup>st</sup> they've begun taking material again. The explosion and consequent plant shut down for 3 months caused a ripple effect throughout industry. During the period that the mill was down there were approximately 150 positions left dormant that have now resumed working. The mill is now potentially running more efficiently in result of the repairs that were made following the explosion.

### **10:40 Industry Update – Attending Industry Members**

NAPCo Update – Cox - They're still under suspension orders on all cutting operations and they're hopeful those will be lifted soon. They currently have in excess of 800 log loads and several hundreds of biomass loads waiting to be moved and NAPCo's ability to resume logging is contingent on the relocation of these materials. NAPCO is looking at contingency plans for their crews as they're currently receiving minimal work. They're still working with interested industries and Cox comments that the Fire Bill has sparked interest throughout industry.

Cooley – They're currently processing through the immense product that NAPCO has already produced. Because the transportation of product has been limited, they've cut down to one shift but they intend to ramp back up to two shifts and will continue making changes at the mill to increase capacity.

TNC - Sitko - has suspended their relationship with NEWPAC (Grand Canyon Forest Products). Sitko can't comment on anything with Grand Canyon Forest Products thought she did extend an invitation to them to participate in this meeting. TNC has an agreement with the White Mountain Tribe to haul some logs over to White River.

Tri-STAR – Reidhead - They're currently moving about 35 loads of biomass out of the woods and about 20-25 loads of logs per day. Tri-STAR is confident moving forward on new technologies with TNC that will allow them to track every log that they cut. They currently already digitally mark everything they cut. They're trying to get to the point that they're treating 1,000-1,500 acres per month. Regarding NOVO-star, the lumber market is stronger than it's been in years. They were running two shifts but found more efficiencies in production when they consolidate to a single shift. They're hoping to reach 14,000-15,000 board ft. per hour production rate by April. Tri-STAR has no kiln but they hope to procure one in the future.

Worsley – NOVO Power is selling their equity interest in NOVOstar to Tri-STAR as it will allow for more efficiencies in running the facility. In-woods drying made a significant difference in their ability to haul the wood. Tommy Holl is sub-contracting with Tri-STAR and is transporting material as well.

Fuller – Would the benefits from drying have been fewer if we hadn't had such a dry winter? Yes.

Smith –Smith thinks it's particularly in dry winters that we will see significant drying of logs occurring.

### **11:10 Working Group Updates**

- Planning WG (10 min) – Berlioux

Berlioux communicated via basecamp regarding the communication of the FS regarding the purported agreement that the PWG had reached with the FS on the EDR (Extended Duration Restoration). When these comments were made, many members of the PWG expressed the need to clarify to the SHG that the PWG was asked by the FS to receive an EDR presentation which was accepted and took place. The PWG was asked by Scott Russell to endorse the EDR and the PWG declined to take a position as there was a number of questions unanswered which prevented the group to form an opinion, as well as the fact that the PWG does not have authority to endorse any proposals by the FS. Working groups must make recommendations to the SHG and the SHG is the only entity in 4FRI with the power to endorse any action on behalf of 4FRI. The PWG has been working over the last 3 months on 2 fundamental concepts: one being the flexible toolbox approach (FTA), and the other being the EDR which the FS wants to implement on approx. 60k acres with hopes of accelerating the timeline to reach the FS definition of desired future conditions. The PWG has dozens of questions on both the FTA and the EDR that prevents the PWG from making a recommendation to the SHG at this time.

Bruner – Adds that the PWG intended to go on a few field trips to look at issues related to EDR and the FTA but were unable to do so due to weather. The PWG hopes to still be able to make these happen. Bruner stated that the Forest Service dictating the EDR decision to the group is contrary to their commitment to collaboration.

Rosenstock –Now that the FS has decided unilaterally to roll the EDR into the modified proposed action, this presents a departure from the collaborative working process and there is the need for a new working process. In his conversations with the FS they've indicated their intention to continue working collaboratively.

Haskins – The FS might refine these new designations as they move forward but they would like to move forward without further hesitation so that they can meet and analyze any obstacles they'll face sooner rather than later.

Miller – As the analysis is now moving forward, will these analysis findings be available to the PWG as they arise? Yes, the issues will be shared as they're reached though there are some item that must remain internal.

Berlioux –There is not an option to change the alternative once it is in the analysis process. What happens if the SHG decides not to endorse EDR and/or the flexible toolbox approach?

Haskins – This is the NEPA process. If analysis shows that something is out of line toward what they would like to accomplish, they will have to address and revise those items as they come. Haskins asks that the SHG continues to work with them to identify what these key issues are.

Laura Jo – The adoption of the EDR puts us in an interesting situation regarding how we function in a collaborative group. West states that we need to keep up transparency with the

analysis as it goes on. Stakeholder support is incredibly important to the agency. There is no contingency plan in the event that the SHG does not endorse these items.

Berlioux – The FS states that they are under time-pressures to accomplish this project so their decision to move forward was a time saving action. The potential weakness if this reasoning is that it may save time in the short run for the USFS to make unilateral decisions outside the collaborative process, but this may create the conditions for objections later on and potential litigations that would consume in the long run a lot more time than what is being said. Are we penny wise and potentially dollar foolish?

Provencio – This group was formed so that challenges in forest restoration can be solved together. The decisions regarding which alternatives to analyze lies solely with the FS and they work to collaborate whenever possible.

Bruner – The PWG was under the impression that they were working through the split opinions regarding the EDR when they received notification that the FS would move forward with it regardless.

- Industry WG (10 min) – Worsley

Once notes are produced from the Industry Round Table, the IWG will likely convene to ensure they understand all applicable action items for this next year.

Tim White – Climate Tech has been in the valley for around 40 years and has evolved into a company that provides energy based ideas and solutions. They were bought out by Bosch which is one of the largest privately held organizations in the world. Climate Techs involvement with 4FRI and the White Mountain Apache Tribe may provide innovative technologies that can overcome some of the issues being faced by 4FRI.

- Communications WG (10 min) – Sitko

The newsletter features a new look. It includes an explanation of the brochure coming out in April, a lead article on the industry round table, and an article on the FS Citizen Science award. A brief on the national timber purchaser's visit and a brief on the website update. Sitko might include a brief on forest products modernization presentation. The newsletter will be reviewed by the Steering Committee at the April Steering Committee call and will be posted on BaseCamp and provided to Stakeholders at the April 25<sup>th</sup> SHG meeting.

The brochure was printed on a stock paper to enable users to write on the back. They will be lightening the saturation and printing 15,000 copies for distribution. The CWG will be providing those copies at the April SHG meeting for Stakeholders to collect and distribute. The CWG hopes the SHG finds this useful in communicating forest restoration activities to the public and other inquiring parties.

The CWG is working on refreshing the 4FRI.org website. They are hoping to roll-out the new website sometime this summer. Heath Norton under direction of Tayloe Dubey at the ERI is the webmaster working on the new site.

GFFP is working on pulling together partners to develop a smoke outreach campaign and the CWG is involved in that. They will be putting together a newspaper insert for Flagstaff papers in

time for fire season. Their first coordination call is tomorrow March, 29<sup>th</sup>, so further update will be available at the April meeting.

There were requests for public field trips to take place on the MSA treatment areas, particularly Chimney Springs. While their forest team (TNC/Campbell Global) would be happy to do that, they continue to gather information on harvesting efficiencies and monitoring information, and they haven't had a chance to analyze this data, so it might be more beneficial to do this field trip later in the year because they will then have more information on some of the changes that took place. If stakeholders are interested, they should stay involved with the PWG and their upcoming fieldtrips as they may present opportunity to tour active sites.

- MPMB WG (10 min) – Mottek

Mottek suggest to Sitko that the new 4FRI.org website include a tab for monitoring updates and information. Sitko confirms that that's in process.

The MPMB has been working on prioritizing funds for monitoring projects for this fiscal year. Projects the MPMB will be focusing on this year: Prong-horn to model how treatments affect movement, song birds to develop a population and occupancy prediction analysis, UAV based imagery for data collection and analysis to help determine post-treatment spatial landscape patterns, and ground plots for data analysis. Regarding water, they're working on proposals for equipment and spring acquisition and a work shop will take place in the beginning of April to compile aquatic monitoring questions what will eventually be vetted.

- Comprehensive Implementation WG (10 min) – Bruner

CIWG completed their pilot project last season which was led up by Game and Fish. The Rosilda Spring project will be starting at the end of May and the Friends of Northern Arizona Forests will be restoring at least 2 other spring sites this season. The CIWG has plans to broadcast these successes to folks in the media in June. They plan to present their accomplishments to the SHG later in the summer.

Haskins – Is there a way to expand CIWG work to the east side? One thing that is already in process is that Tom Runyon and some others worked on 16 springs that Bruner is hopeful will result in a categorical exclusion. Bruner states that the WG may also be able to expand to some of the other NEPA sites that are not within the Rim Country NEPA.

- Fiesta Working Group (10 min) – No Update

## **12:10 Stakeholder Disclosures – All**

Miller – Has been working with Nate Rees and the Tonto NF management plan to plan a spring restoration field trip so there will likely be more information to follow. Also, on Thursday, April 12<sup>th</sup> will be the 9<sup>th</sup> annual native and wild trout conference sponsored by AZGFD and Trout Unlimited. Every year there is a 4FRI orientation portion of the conference and Stephanie Coleman will be participating in some of that dialogue.

Vahle – Comments on the Fire Fix Bill – the Arizona Wildlife Federation is closely aligned with the National Wildlife Federation. They have been lobbying very strongly for the bill.



Fredette – Urges the PWG to get the EDR fields trips scheduled.

Krigbaum – Is there a possibility for an industry field trip visiting NOVO Power? Worsley – That's possible, interested parties should alert the IWG.

### 12:15 Review Action Items

Action Item	Lead	Status
1. Krigbaum is to email fliers/ documents to Allison who will post them on BaseCamp	Krigbaum / Allison	Complete
2. Schedule EDR Field Trip	PWG	
3. Brekhus to ask Congressman O'Halleran to send a letter to the secretary inquiring how implementation of the Omnibus bill can be done more efficiently and in a more-timely manner.	Brekhus	
4. Send comments / feedback on the Forest Products Modernization presentation to Dick	SHG	
5. When the FS receives language from Dep. of Agriculture on the Interim Directive they will then report interpretations to the SHG on what the new language enables us to do.	FS	

### 12:50 Adjourn

#### 04/25/18 SHG meeting information:

Wednesday, April 25<sup>th</sup> 2018, 9am-TBD  
Coconino National Forest Supervisor's Office  
1824 South Thompson St., Flagstaff, AZ 86001  
Teleconference line: (712) 775-7031, code: 439290611#

#### Future Meetings

- MPMB Season Review
- APS- The role of APS forestry and mitigation in the 4FRI footprint. Wade Ward –Tentatively Apri