

# NC SFI SIC MEETING

*NORTH CAROLINA SUSTAINABLE FORESTRY INITIATIVE  
STATE IMPLEMENTATION COMMITTEE*

**North Carolina Forestry Association Office - Raleigh, NC – August 8, 2012**

## **1. CONVENE SFI-SIC MEETING AND INTRODUCTIONS**

Chair Jim Durham called the SFI-SIC meeting to order at 9:30 a.m. Members present for all or part of the meeting were:

Mike Adams	Jason Lefler	Russ Newton
Shannon Buckley	Ed Listerman	Greg Ricks
David Castle	Bob Ordnung	Bernard Rose
Joe Cox	Amy Phillips	Lynn Stephensen
Chuck Daniels	Ron Phillips	Glen Sheehan
Tony Doster	James Malphrus	Jaime Teel
Ken Goodwin	Danny Maness	Marshall Thompson
Bryan Hulka	Rand Mathews	

Others present for all or part of the meeting were:

Gail Bledsoe	Steve Cox	Jack Swanner
Chris Brown	Leslie McCormick	

## **2. ANTITRUST COMPLIANCE STATEMENT**

Jim Durham reminded members that the meeting would be in full compliance with the NCFA's policy on antitrust compliance contained in the meeting materials.

## **3. RECOGNITION OF PARTICIPATION OF QUORUM**

Jim Durham declared that a quorum was present at the meeting and that the meeting would proceed as planned. It was noted that Jim Durham would serve as the proxy vote for Matt Thuman and Chip Miller, who were not able to attend the meeting.

## **4. MINUTES OF THE LAST MEETING**

Jim Durham asked members to review the minutes from the last meeting. On a motion and second to approve the minutes, they were approved as submitted.

## **5. TREASURERS REPORT**

Bernard Rose presented the treasurers report, highlighting that the budget numbers in terms of income and disbursements were on target with previous years. He noted that some committees had yet to exhaust their budgets, but those projects would be completed in the third and fourth quarters of the year. He projected that the committee should carry forth the same \$50,000 - \$60,000 balance that it has in the past. Rose reported that the 2012 NC SFI SIC dues received from member companies was \$120,642.01. The current checking account balance is 110,301.39. The complete budget is detailed on page two of the minutes.

**NC SFI SIC BUDGET 8/5/12      '12 Budget      '12 YTD**

<b>Income</b>			
SIC Dues	\$119,600.00	\$120,642.01	
Interest	\$550.00	\$307.77	
<b>Total</b>	<b>\$120,150.00</b>	<b>\$120,949.78</b>	
<b>Expense</b>			
<u>Administrative</u>			
NCFA	\$21,000.00	\$10,500.00	FECF - NCFA 1/2 Prog Support
Misc Exp	\$200.00		
Travel	\$2,500.00	\$1,259.84	FECF - NCFA 1/2 Prog Support & Grant Comm Lunch (1200 + 59.84)
<b>Total</b>	<b>\$23,700.00</b>	<b>\$11,759.84</b>	
<u>Landowner Outreach</u>			
Landowner Guide	\$10,000.00	\$5,000.00	
Tree Farm	\$15,000.00	\$20,000.00	12,500 for Stewardship Program & 7,500 for 1/2 Program Support
Misc. Landowner Outreach	\$7,000.00	\$250.00	
<b>Total</b>	<b>\$32,000.00</b>	<b>\$25,250.00</b>	
<u>Training and Education</u>			
Logger Training	\$0.00		
Silvicultural Contractor Training	\$0.00		
Certified Logger Program	\$0.00		
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	
<u>Information Resources</u>			
Promote SFI at NC Legislation	\$2,000.00	\$1,000.00	FECF - NCFA 1/2 Prog Support
Certification Workshops	\$5,000.00	\$2,500.00	FECF - NCFA 1/2 Prog Support
Purchase 1 Display/Materials	\$1,500.00		
Scholarship	\$2,000.00	\$1,000.00	FECF - NCFA 1/2 Prog Support
SFI Certification at Universities	\$2,000.00	\$1,000.00	FECF - NCFA 1/2 Prog Support
NC SIC Website	\$5,000.00	\$4,989.90	
Teachers Tour	\$42,000.00	\$21,000.00	FECF - NCFA 1/2 Prog Support
Forestry Camp	\$10,000.00	\$5,000.00	FECF - NCFA 1/2 Prog Support
<b>Total</b>	<b>\$69,500.00</b>	<b>\$36,489.90</b>	
<u>Market Outreach</u>			
NC SIC Booths (5@\$450)	\$2,250.00		
Purchase 1 Displays/Materials	\$1,500.00		
Customer Communication	\$2,500.00		
Recruitment	\$0.00		
<b>Total</b>	<b>\$6,250.00</b>	<b>\$0.00</b>	
<u>Inconsistent Practices</u>			
Monitor/Phone Lines	\$1,500.00	\$1,155.74	Monthly 109.74
Reporting	\$1,000.00		
Consultants	\$3,000.00	\$2,158.80	Qtr 1046
<b>Total</b>	<b>\$5,500.00</b>	<b>\$3,314.54</b>	
<b>Total Expenses</b>	<b>\$136,950.00</b>	<b>\$76,814.28</b>	

## **6. STRATEGIC/GRANT REVIEW SUBCOMMITTEE REPORT**

Jim Durham presented the minutes from the NC SFI SIC Grant Review Committee Meeting from July 18, 2012 to the entire NC SFI SIC committee. Durham noted that the Grant Review Committee is comprised of the NC SFI SIC executive committee members as well as each chair of the respective sub-committees within the NC SFI SIC. Those meeting notes are on pages 9-10 of these minutes. Durham also stated that the NC SFI SIC and North Carolina Forestry Association (NCFA) have signed a MOU on annual administrative expenses of \$21,000. Durham said the sub-committee went into the grant process knowing that they had \$100,000 at their disposal.

The NC SFI SIC committee was asked to review and vote on the eight recommendations submitted by the Grant Review committee. Only the 21 voting members would be able to participate in the voting process with each member getting one vote. The voting was completed by anonymous ballots that were collected after each grant recommendation was presented.

Bryan Hulka pointed out that it would be the responsibility of the respective sub-committee chair to notify the grant petitioner of the results from the vote depending on what category the grant request fell under within the grant process.

Jim Durham noted that the subcommittee will propose to each grant recipient some contingencies. In general, these contingencies focus on incorporating SFI materials and the NC SFI SIC's participation in the respective projects. There is also an element of reporting back on each project to the subcommittee.

The Grant Review subcommittee supported funding seven of the eight grant requests. All of the recommendations from the Grant Review Subcommittee were approved by vote. The following is a review of what grants were awarded and which subcommittee chair will handle the notification process.

- A. Wake Soil and Water Conservation District, Keeping the Farm Workshop - \$1,700 BRYAN HULKA
- B. Winyah Rivers Foundation, Inc., New Approaches for Sustainable Forestry Through Early and Rapid Response to New and Emerging Invasive Plants on Private Lands - \$0 TONY DOSTER
- C. Forest Education and Conservation Foundation, Sustainable Forestry Teachers' Academy - \$40,000 TONY DOSTER
- D. Forest Education and Conservation Foundation, NCFA Forestry & Environmental Camp - \$10,000 TONY DOSTER
- E. Forest Education and Conservation Foundation, N.C. Science Teachers Professional Development Workshop – \$10,000 TONY DOSTER
- F. Forest Education and Conservation Foundation, Skid Trail Rutting Video - \$15,000 MIKE ADAMS
- G. North Carolina Tree Farm Program, Direct Landowner Outreach - \$10,000 BRYAN HULKA
- H. North Carolina Tree Farm Program, Implementation of the Forest Stewardship MOU - \$15,000 BRYAN HULKA

The total grant amount awarded was \$101,700.

During the voting process, Tony Doster did explain the sub-committee's reasoning behind not funding the Winyah Rivers Foundation's request and that he did speak with the foundation members directly about their request. He encouraged all NC SFI SIC members to publicize the grant process among the various groups and organizations that members might work with or come in contact with. He believed it would be a shame if the grant process was not widely recognized since there are so many worthy organizations in North Carolina.

Ed Listerman added that much of the work the North Carolina Tree Farm Program does with its grant money is distributed to other smaller organizations or local groups who are seeking funds on a local level.

Jim Durham asked for some quick feedback on the voting process. On the whole, the NC SFI SIC approved of the process. It was recommended that prior to the meeting; it would have been nice for the voting members of the NC SFI SIC to have a copy of the Grant Review subcommittee's minutes so they would be educated on each request.

Durham also pointed out during the voting process that the amounts listed within the recommendations from the Grant Review subcommittee may be augmented or reduced by the full committee if that was the consensus of the committee.

Durham also noted that the easiest way to be involved in the grant process was to volunteer to be one of the subcommittee chairs.

## **7. FORESTRY ISSUES UPDATE**

The North Carolina Forest Service's Gail Bledsoe updated the committee on the North Carolina Forest Service and some of the personnel changes that are occurring this summer. Bledsoe noted that Forest Manger Section Chief Dave Andres and Deputy State Forester Larry Such are retiring. This will create some vacancies in key positions and is surely going to have a domino effect in the Forest Service as people move into new positions. In addition, Dianne Beasley, the Internal/External Affairs Director for the Forest Service, is retiring as well. Bledsoe reported that the Forest Service is still in the process of filling the Water Quality Forester position in Asheville and in Elizabeth City.

Bledsoe also noted that the Forest Service has signed an MOU with the Division of Energy, Mineral and Land Resources. Tracy Daniels is the newly appointed leader of this organization. This group is now the enforcement agency on water quality issues.

There was a question on the statewide consolidated buffer rules and Bledsoe reported that there has been no progress on the new rules. There continues to be discussions, however, no action has been taken to move the rules forward.

Bledsoe also noted that all of the Forest Service's publications and leaflets have been updated on the website and are available for the public to use.

## **8. LEGISLATIVE UPDATE**

On behalf of the NCFA's Bob Slocum, Jack Swanner provided an update on some key forestry issues. The following are some highlights from his report.

**NPDES Permits and Logging Roads** - The House Transportation and Infrastructure Committee approved bipartisan support of H.R. 2541, legislation to preserve the U.S. Environmental Protection Agency's (EPA) 35-years of successful regulation of forest roads under the Clean Water Act (CWA). The legislation, reported unanimously out of Committee last week, would prevent a ruling from the U.S. Court of Appeals for the Ninth Circuit (*NEDC v. Brown*) from taking effect. The Ninth Circuit ruled last year that forest roads are "point sources" of water pollution requiring industrial discharge permits typically applied to factories and sewage plants under the CWA.

The Silviculture Regulatory Consistency Act (H.R. 2541) was introduced by Representatives Jamie Herrera Buetler (R-WA) and Kurt Schrader (D-OR) July 14, 2011 and is supported by 61 cosponsors. North Carolina members who co-sponsored H.R. 2541 are Rep. G.K. Butterfield, Rep. Renee Ellmers, Rep. Walter Jones, Jr., Rep. Larry Kissell, Rep. Mike McIntyre, and Rep. Sue Myrick.

As an interim step, Congress took action last December in the *Fiscal Year 2012 Consolidated Appropriations Act* to prevent the Ninth Circuit ruling from taking effect but that expires September 30, 2012.

The Solicitor General in his May 24 brief to the U.S. Supreme Court acknowledged that the Ninth Circuit ruling was wrong, yet recommended the Court not review the case because “the complex regulatory issues can be addressed more definitively and in a more nuanced fashion by Congress and [EPA].”

Although the Supreme Court announced in June that it will review the case, Congressional action is necessary to provide legal certainty. While the House action is very helpful, it is unlikely that the bill will see additional action this year. All indications are that EPA is not backing off of developing general permits for logging roads.

**The Forest Development Fund** - The NCFCA continues to work with the North Carolina Forest Service on potential changes/updates to the Forest Development program. Based on information and discussions with the Department of Revenue, it appears that federal law will severely limit the ability of NC to charge an out-of-state company. There is also question about how to collect the assessment on exported logs/chips, particularly if a company do not have a manufacturing facility in NC. We expect that the NCFCA, the Forest Service and others will begin work shortly on changes to the FDP.

**The Present Use Value Tax Program** - Counties continue tightening the requirements for timber under the present value program. While the goal of ensuring that landowners enrolled in the program are actually following the management plans detailed as part of their present use value status is commendable, there is a real need to standardize the present value program. NCFCA and the Farm Bureau continue discussions about requiring that counties to use the present value manual. We are discussing the possibly of legislation in 2013.

Jack Swanner also noted that in the realm of tax reform, it was important for NC SFI SIC members to understand that the present use value tax program may be a target if the state is trying to generate more tax revenue. Swanner warned that while we all may be for tax reform on the surface, it is important to reach out to our elected officials on the benefits of this program for landowners, the forest products industry and the environment.

**Estate Tax** - The U.S. House voted to extend the current tax code for another year. This includes keeping the estate tax, known as the death tax, at its current level of 35 percent for estates worth more than \$5 million per individual and \$10 million per couple. If Congress fails to act by the end of 2012, the death tax will revert to a \$1 million exemption level at a 55 percent tax rate. The House-passed tax package also provides a two-year "patch" to prevent the alternative minimum tax (AMT) from hitting 27 million taxpayers and allows small businesses to deduct an increased amount of their capital expenditures for another year. The NC congressional delegation voting YES include: Howard Coble (R) yes; Renee Ellmers (R) yes; Virginia Foxx (R) yes; Walter B. Jones (R) yes; Larry Kissell (D) yes; Patrick McHenry (R) yes; Mike McIntyre(D) yes; Sue Myrick (R) yes. The NO votes include: G.K. Butterfield (D) no; Brad Miller (D) no; David Price (D) no; Heath Shuler (D) no; Mel Watt (D) no.

Jack Swanner encouraged members of the NC SFI SIC to contact North Carolina Senator Kay Hagan in support of extending the current tax code for the estate tax.

**Biomass** - Indications are that some of the environmental groups want to severely limit the use of biomass by “biomass guidelines” or direct regulatory moves. The NCFCA staff will continue to monitor these developments and will maintain its position that no new harvesting guidelines need to be put in place. Compliance with the Forest Practice Guidelines is not a problem and the adherence to BMP’s in the state is extremely high among the logging workforce.

## 9. LANDOWNER OUTREACH SUBCOMMITTEE

The North Carolina Tree Farm Program's Leslie McCormick provided an update on the NC Tree Farm's activities since the last meeting. The following report was submitted to the committee.

### N.C. Tree Farm Program Report August 8, 2012

#### Membership:

##### New Tree Farms in 2012

- Certifications: 60
- Acreage: 11,568
- Average Size: 193 acres
- Number of Inspectors Participating: 21

##### Total Certified Tree Farms as of August 7

- Number: 891
- Acreage: 307,980
- Average size: 346 acres

##### Effect of Database Update on Membership

- Decertifications: 157
- Likely Additional Decertifications by End of August: 96
- Reasons for Decertification:
  - Deceased: 1%
  - No Interest: 3%
  - Sold Farm: 6%
  - Missing Owner: 88%
  - No Plan: 2%

##### 2012 Required Inspections: 35

Completed: 31 (88%)

Decertifications: 4

#### Outreach and Education Report

##### Activities Year-to-Date

- Created new N.C. Tree Farm Brochure
- Started new N.C. Tree Farm electronic newsletter
- Put together 3 PowerPoint presentations about Tree Farm and forest certification—one each for landowners, loggers and forestry professionals.
- Helped sponsor and staff display at local forestry club meetings at Kinston and Snow Hill coordinated by Mount Olive College.

- Made Tree Farm and certification presentation to Wilson County Forestry Association.
- Helped promote and staff display at Non-native Invasive Species workshops at Williamston, Greensboro and Wilkesboro. 150 + attendees each.
- Helped sponsor the Western N.C. Timber Conference at Asheville and made Tree Farm presentation.
- Gave Tree Farm update at N.C. Association of Consulting Foresters meeting
- Gave Tree Farm presentation to ProLogger base class at Williamston
- Put on landowner workshop on management plans at Louisburg. About 40 total attendees and presenters.
- The logger version of the Tree Farm presentation was filmed for the 2013 ProLogger classes.

##### Planned Events

- Tree Farm Inspector training class set for September 10 at the Stan Adams Center at Jordan Lake. Mark Bost of the N.C. Forest Service is hosting.
- Annual meeting, awards breakfast and forestry tour October 6, Biltmore Estate.
- Landowner Workshop at Washington, N.C. October 20. Includes management plan topics and a tour of the Weyerhaeuser nursery.
- Spring 2013 landowner workshop tentatively set for Wilkes County.
- The NC Tree Farm Program would like to thank the N.C. SIC for your continued support of these activities.

## **10. TRAINING AND EDUCATION**

Jack Swanner reported the 2011-12 training year for ProLogger has been completed. A total of 82 ProLoggers failed to take the required Module 12 course and subsequently have been dropped from the ProLogger program. These loggers must now retake the base course to get back into the program. The dues invoices have been sent out and all but 150 invoices have been returned. Swanner will follow up with those ProLoggers who have failed to submit their dues.

Swanner stated that production of Module 13 is underway and will focus on truck safety since that was identified as an area of concern by the NCFA's Logging and Safety Committee as well as members of the NC SFI SIC. Two segments will be created from the NCFA's workshop with the North Carolina State Highway Patrol Motor Carrier Enforcement. One segment is under the direction of the North Carolina Association of Professional Loggers' Doug Duncan and will update an earlier training film on truck safety. The NCFA is developing another truck safety segment. The module will also include a segment on the North Carolina Tree Farm Program, which was requested by the Tree Farm program and some NC SFI SIC members.

The committee reviewed the segment during the meeting that featured Steve Cox, the NC Tree Farm Program's Outreach Coordinator and the NC SFI SIC Inconsistent Program Monitor. Swanner asked the NC SFI SIC to provide feedback on the segment via e-mail. The committee liked the segment.

The committee also discussed the high costs of producing the annual module. (A portion of this discussion took place during the grant review process as well.) It was noted that the NCFA currently produces the modules out of its operating budget. Limited outside grants have helped defray a small portion of the costs. In some limited situations, such as with Forestry Mutual's Fire video production, the modules have been enhanced by outside productions. It is worth noting that in the case of Module 12, which includes the Fire video, the budget for that module was twice the normal budget number. Several other states and organizations use the modules for a modest \$500 sponsorship fee. The NC SFI SIC Education subcommittee is going to revisit its sponsorship fee structure for these participating organizations.

Also, Education subcommittee chair Mike Adams volunteered to write SFI Southeast Coordinator Barry Graden about developing a regional approach for logger training in the southeast.

## **11. INFORMATION RESOURCES SUBCOMMITTEE**

Tony Doster updated the committee on a recent project he was a part of a partnership of NC SAF, the Wilmington Public Radio Station and Coastal Land Trust in fundraising for the Long Leaf restoration fund. He mentioned that it would be a great avenue in the future for the NC SFI SIC to raise awareness about the committee and the SFI program.

Chris Brown reviewed the recent updates to the committee's website, [www.ncsfi.org](http://www.ncsfi.org), particularly the Meeting Dates tab that is under the About Us section that is password protected. This page will show meeting minutes, bylaws and any other materials that the committee would like access to, but not necessarily make public information. Brown requested that any information that members of the committee would like to share such as workshops, meeting dates, etc., that they forward them via e-mail to [cbrown@ncforestry.org](mailto:cbrown@ncforestry.org) so he can put it on the site in a timely manner.

## **12. MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE**

Rand Mathews reviewed the latest version of the subcommittee's work on marketing displays. The main display was reviewed and feedback was positive. The subcommittee will be working on two other side banners and will submit that artwork to the entire committee at the next meeting.

### **13. INCONSISTENT PRACTICES SUBCOMMITTEE**

Jim Durham reported on behalf of Matt Thuman that there had been no issues with the inconsistent practices. Steve Cox reported that he did receive one phone call on the hotline that was not either a hang-up or a solicitation. The call was in regards to an SMZ, but after Cox followed up with the caller, it was established that an SMZ had been adhered to. Cox noted that the caller found the phone number on the website.

### **14. OTHER BUSINESS**

Jim Durham reported that Scott Smearmin had told him that he had been contacted by N.C. State Cooperative Extension about the NC SFI SIC being a sponsor of the Non-Native and Invasive Forest Plants Workshop in October in Stanly, NC. The NC SFI SIC was a past sponsor of these workshops and they were well-attended and informative. Since the financial commitment is less than \$500, Durham said the executive committee would approve the sponsorship as long as the entire committee was in support of it. The committee informally expressed their approval.

### **15. FUTURE MEETINGS**

November 14, 2012- Raleigh NC

Adjournment

There being no further business and on motion and second, the meeting was adjourned at 2:00 pm.

Submitted by:

Chris Brown

NCFCA Director of Communications



# N.C. SIC Strategic/Grant Review Committee Meeting

## July 18, 2012

### 1. Call to Order

Jim Durham called to meeting to order at 9:30 a.m. Members present for all or part of the meeting were: Jim Durham, Jaime Teel, Bernard Rose, Matt Thuman, Tony Doster, Bryan Hulka, Mike Adams.

### 2. Antitrust Compliance Statement

Jim Durham reviewed the requirements of the antitrust laws and reminded anyone to call it to his attention if the discussion became inappropriate.

### 3. Treasurer's Report

Bernard Rose reviewed the status of the 2012 budget, 2013 anticipated income and carry-over funds. It was agreed that approximately \$100,000 is available for Grants.

### 4. Grant Discussion

It was decided that the process would be to first discuss each Grant, then discuss the funding of each Grant and attempt to achieve consensus on the approval/disapproval and funding level of each grant. The results would be presented to the SIC Committee at the August 8 meeting for voting approval. Below are the results and recommendations to the Committee:

#### 1. Wake Soil and Water Conservation District, Keeping the Farm Workshop

Amount Requested: \$1700

Amount Approved: \$1700

Grant contingencies: Request Agenda, SIC provide Speaker, SIC set up booth, NC SIC logo on Flyer if possible.

#### 2. Winyah Rivers Foundation, Inc., New Approaches for Sustainable Forestry through Early and Rapid Response to New and Emerging Invasive Plants on Private Lands

Amount Requested: \$20,000

Amount Approved: 0

It was felt that this project is very specific and conducted on a small geographic area. The grant stated it was not pursuing other means of funding at this time. Tony will talk with them and explain reason for denial.

#### 3. Forest Education and Conservation Foundation, Sustainable Forestry Teachers' Academy

Amount Requested: \$50,000

Amount Approved: \$40,000

Grant contingencies: Provide specific SFI subject items in the Agenda presented by an SFI committee member, minimum 30 minutes on first day. Provide SFI material in the Packet. Mention SFI throughout the program

#### 4. Forest Education and Conservation Foundation, NC Forestry and Environmental Camp Program

Amount Requested: \$10,000

Amount Approved: \$10,000

Grant contingencies: Insure SFI is discussed by the Teachers/Instructors, provide handouts, provide T Shirts/Gifts with SFI logo as prizes.

#### 5. Forest Education and Conservation Foundation, N.C. Science Teachers; Association Professional Development Institute

Amount Requested: \$17,000

Amount Approved: \$10,000

Grant contingencies: Set up SFI booth, provide materials.

#### 6. Forest Education and Conservation Foundation, Skid Trail Rutting Video

Amount Requested: \$20,000

Amount Approved: \$15,000

Grant Contingencies: Look for additional funding/grants/income from other states, review Pro-Logger Fees. There was discussion about the need for Pro-Logger to be self sufficient. It was felt by most members that this is a very important video segment for the SIC to support.

7. North Carolina Tree Farm Program, Direct Landowner Outreach

Amount Requested: \$10,000

Amount Approved: \$10,000

The NC SIC has been supporting Tree Farm at this level for the past several years. It was felt this support should continue as the Tree Farm Program has demonstrated growth and success.

8. North Carolina Tree Farm Program, Implementation of Forest Stewardship MOU and Field Inspections of "at risk" Tree Farms

Amount Requested \$15,000

Amount Approved \$15,000

The NC SIC supported this project in 2012 with \$12,000 and it was agreed to continue supporting in 2013.

**5. Summary**

Grant Total recommended for approval is \$101,700. Jim will contact Bob Slocum prior to the August 8 SIC meeting and inform him of the recommendation. Jim will lead the discussion at the meeting for approval of this recommendation. Following the SIC meeting, Jim will notify each Grant application provider of the Committee decision.