

NC SFI SIC & SLTC JOINT MEETING

NORTH CAROLINA SUSTAINABLE FORESTRY INITIATIVE STATE IMPLEMENTATION COMMITTEE & SAFETY, LOGGING AND TRANSPORTATION COMMITTEE

North Carolina Farm Bureau - Raleigh, NC – January 24, 2013

CONVENE NC 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	Ron Phillips
Scott Brewer	James Malphrus	Rand Mathews
Gail Bledsoe	Danny Maness	Bernard Rose
David Castle	Mark Megalos	Scott Smearman
Tony Doster	Chip Miller	Glen Sheehan
Bryan Hulka	Russ Newton	Matt Thuman
Ron Heatherly	Bob Ordnung	Marshall Thompson
Kiley Hinson	Amy Phillips	

Others present for all or part of the meeting were:

Billy Barnette	Tom Gerow	Amy Doty
Jay Boyette	Leslie McCormick	Nadine Block
Chris Brown	Jack Swanner	

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.

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 Scott Smearmin would serve as the proxy vote for Ed Listerman, who was not able to attend the meeting.

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.

CONFERENCE CALL WITH SFI, INC

At the start of the meeting, Amy Doty and Nadine Block of SFI, Inc. updated the NC SFI SIC on an issue pertaining to a press release issued by the USFS North Carolina in October promoting the use of LEEDS certification in the construction of a new ranger station in western North Carolina.

SFI National is protesting the exclusion of Green Globes in the construction process. It is leading an effort to send a letter to USFS Chief Tom Tidwell from the North Carolina Federal Representatives. Representatives Meadows and McIntyre are the lead authors, but SFI national would like all of North Carolina's federal representatives to sign off on this letter. They have asked NC SFI SIC members to contact their local federal representatives to sign on to the letter.

A point was made that since no one had contacted Kristin Bail, the new USFS Supervisor in North Carolina, directly about this issue, that the NC SFI SIC should also reach out to Supervisor Bail and point out her

oversight. According to SFI national, no one has contacted Supervisor Bail. The committee agreed and Durham will reach out to Supervisor Bail on this issue.

A question was raised if the release was pushed by any particular group. The guess was that it was not driven by a particular group.

The SFI national asked NC SFI SIC members to reach out to their representatives with a phone call or e-mail and inform them about the circulating letter. The time table is to send the letter to Tidwell by February.

SFI national will forward talking points to Jim Durham. Durham will reach out to Senators Hagan and Burr with a letter and also share the letter with committee members.

SFI national also updated the NC SFI SIC on some other issues. Barry Graden with SFI Inc is trying to grow the Forest Partners Program and North Carolina is a priority state for this program. Graden might want to meet as a group – SC, NC and VA in a group. The Conservation Outreach program will be awarding grants in the spring so any interested parties should be ready to submit their new grant proposals in February.

NC SFI SIC TREASURER’S REPORT – BERNARD ROSE

Bernard Rose reviewed the budget for the committee. Most of the items are right on budget – Overall it was a good year. We came in above expected income and a little better in expected costs – they were lower.

	2012 Budget	2012 Actual
Income		
SIC Dues	\$119,600.00	\$131,451.05
Interest	\$550.00	\$626.06
Total	\$120,150.00	\$132,077.11
Expense		
Administrative		
NCFA	\$21,000.00	\$21,000.00
Misc Exp	\$200.00	\$59.84
Travel	\$2,500.00	\$3,860.26
Total	\$23,700.00	\$24,920.10
Landowner Outreach		
Landowner Guide	\$10,000.00	\$5,000.00
Tree Farm	\$15,000.00	\$27,500.00
Misc. Landowner Outreach	\$7,000.00	\$250.00
Total	\$32,000.00	\$32,750.00
Training and Education		
Logger Training	\$0.00	
Silvicultural Contractor Training	\$0.00	
Certified Logger Program	\$0.00	
Total	\$0.00	\$0.00
Information Resources		
Promote SFI at NC Legislation	\$2,000.00	\$2,000.00
Certification Workshops	\$5,000.00	\$5,000.00
Purchase 1 Display/Materials	\$1,500.00	
Scholarship	\$2,000.00	\$2,000.00
SFI Certification at Universities	\$2,000.00	\$2,000.00
NC SIC Website	\$5,000.00	\$4,989.90

Teachers Tour	\$42,000.00	\$42,000.00
Forestry Camp	\$10,000.00	\$10,000.00
Total	\$69,500.00	\$67,989.90
Market Outreach		
NC SIC Booths (5@\$450)	\$2,250.00	\$150.00
Purchase Displays/Materials	\$1,500.00	\$720.56
Customer Communication	\$2,500.00	
Recruitment	\$0.00	
Total	\$6,250.00	\$870.56
Inconsistent Practices		
Monitor/Phone Lines	\$1,500.00	\$2,281.78
Reporting	\$1,000.00	
Consultants	\$3,000.00	\$2,158.80
Total	\$5,500.00	\$4,440.58
Total Expenses	\$136,950.00	\$130,971.14
2012 Ending Checking Account Balance	\$67,271.86	

NC SIC 2013 Budget

	2013 Budget	% of Budget	% of Budget
Income			
SIC Dues	\$140,000.00		
Interest	\$550.00		
Total	\$140,550.00		
Expense			
Administrative			
NCFA	\$21,000.00		
Misc Exp	\$250.00		
Travel	\$1,500.00		
Total	\$22,750.00	16%	16%
Landowner Outreach			
Landowner Guide	\$0.00		
Tree Farm	\$0.00		
Misc. Landowner Outreach	\$2,000.00		
Total	\$2,000.00	1%	21%
Training and Education			
Logger Training	\$0.00		
Silvicultural Contractor Training	\$0.00		
Certified Logger Program	\$0.00		
Total	\$0.00	0%	11%
Information Resources			
Promote SFI at NC Legislation	\$0.00		

Certification Workshops	\$0.00		
Purchase 1 Display/Materials	\$0.00		
Scholarship	\$0.00		
SFI Certification at Universities	\$0.00		
NC SIC Website	\$1,000.00		
Teachers Tour	\$0.00		
Forestry Camp	\$0.00		
Total	\$1,000.00	1%	44%
Market Outreach			
NC SIC Booths	\$2,150.00		
Purchase Displays/Materials	\$2,250.00		
Customer Communication	\$1,250.00		
Recruitment	\$0.00		
Total	\$5,650.00	4%	4%
Grants Approved			
LO Wake Soil & Water Conservation	\$1,700.00		
IR FECV - Sustainable Teachers Academy	\$40,000.00		
IR FECV - Forestry & Environmental Camp	\$10,000.00		
IR FECV - NC Science Teachers	\$10,000.00		
TE FECV - Skid Trail Rutting Video	\$15,000.00		
LO NC Tree Farm - Landowner Outreach	\$10,000.00		
LO NC Tree Farm - Stewardship	\$15,000.00		
Total	\$101,700.00	73%	
Inconsistent Practices			
Monitor / Phone Lines / Reporting	\$3,000.00		
Reporting	\$0.00		
Consultants	\$3,000.00		
Total	\$6,000.00	4%	4%
Total Expenses	\$139,100.00		
Carry Forward Income/Loss	\$1,450.00		

A suggestion was made by Bryan Hulka to make an additional improvement to the grant application by asking participants to put a date on when they will be utilizing the grant they are requesting.

Overall, the end of this fiscal year (2013), the committee will end up with a surplus of \$1,450. This does not include the reserves that the committee has saved from previous years which totals \$67,000.

It was also reported that Matt Thuman and Scott Smearmin audited the books prior to the meeting.

The survey for NC SFI SIC dues will be sent out in the coming weeks.

STRATEGIC/GRANT SUBCOMMITTEE REPORT

Jim Durham reviewed the grant process for the 2013 year. Durham noted that the first grant was paid out and the Keeping the Farm Workshop was held in Raleigh on January 23rd. There were over 250 landowners in attendance and the meeting was a great way for the NC SFI SIC to promote its programs and grant process. It

was noted that we should expect a complete report/review from the grant recipients on the completion of a program. The grant program has started again for next year. All grants are due by July 1.

MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT

Rand Mathews reported that the NC SFI SIC participated in the Soil and Water Conservation Meeting. Mathews thought it was a good event, but he was not sure how many landowners and people they actually got to reach by displaying at this event. Mathews also updated the committee on the progress on the remaining side displays. There are two that are in the final stages and one more that will feature the SFI logo on products is in the works.

INFORMATION RESOURCES SUBCOMMITTEE REPORT

Tony Doster encouraged other NC SFI SIC to participate in workshops and meetings with other groups. He would like to develop some generic presentations that all NC SFI SIC members could use when they go to a meeting. These presentations will be made available on the NC SFI SIC website. Doster also requested that the NCFA, which is the grant recipient in the Teachers Academies, ensure that the NC SFI SIC continues to have the ability to make a presentation during this event.

INCONSISTENT PRACTICES SUBCOMMITTEE

Matt Thuman provided an update on the inconsistent practices hotline. The line received 12 calls in the fourth quarter. One of the calls was a legitimate concern about a forestry practice. Steve Cox, the Inconsistent Practices Monitor, asked the caller to follow up with him once he had a name of the company. The caller did not return the call. On the year, Steve Cox received 48 phone calls. A total of six were in reference to forestry practices. All of the issues were resolved and closed. It was noted that the majority of issues were based on water quality. It was noted that it is impossible not to have any phone calls. There are bound to be issues.

FORESTRY ISSUE UPDATE – GAIL BLEDSOE and TOM GEROW, NCFS

Gail Bledsoe and Tom Gerow provided the following report to the committee.

Personnel

New Assistant Commissioner, Scott Bissette, came over from NCDA.

New State Forester, Greg Pate, promoted from Deputy State Forester.

New Eastern Regional Forester, John Willis, promoted from Asst. Regional Forester.

New Water Quality Forester in Elizabeth City District, James Caddy, promoted from Service Forester.

Tree Blow-Down from SMZ / buffers

- North-eastern NC, concerns raised by Soil & Water/NRCS/landowners (Camden, Currituck, Tyrrell co.)
- Claiming 50-feet is not enough to prevent blow-down during storms, want something done about it
- We need data/observations of what is really happening
- Bottomline: think twice about how wide of a buffer you leave, and what trees you cut/retain in the buffer

Bamboo

- USACE asked our opinion about an applicant who wanted to claim “silviculture” exemption under Sec.404 to replace a loblolly plantation and establish bamboo for producing fiber/pulp to make paper
- Our opinion: bamboo is not a tree species; and is not “normal, ongoing silviculture” in NC
- USACE concurred and notified landowner applicant that exemption would not be available
- Bottomline: encourage landowners to reforest with native species, not exotics.

Regional BMP Newsletters

- Intended to be a friendly reminder on BMP topics. Identify & discuss any “hot button” issues in each region.
- Put out every 3 to 4 months. Available from “Water Quality” section of website: www.ncforestservation.gov
- Will notify NCFCA when new issues are available, so they can share with members by email updates.

BMP Implementation Monitoring Survey: 3rd Cycle

- We have started, and have collected data on about half-dozen sites in central NC.
- First evaluation of the "new" 2006 BMP Manual.
- Part of continuing improvement to evaluate voluntary BMP measures
- Focusing on active sites, but will also assess closed-out sites.
- 2012 Southern regional report is available, copies were made available to the group.

Forest Roads Reference Books

- With so much attention on forest roads, we are printing 2 reference books on the topic, to help:
- 1 on dirt/gravel road maintenance....reprint from USFS (spring 2013)
- 1 on constructing roads in the mountains.....revising an earlier edition of this NC booklet (summer 2013)

LANDOWNER OUTREACH SUBCOMMITTEE

Leslie McCormick reported the North Carolina Tree Farm (NCTF) has 804 certified Tree Farms, covering 231,000 acres. The NCTF program has been selected to participate in the national audit as part of the PEFC certification. The national audit will visit 19 Tree Farms in North Carolina. The NCTF is also moving forward with inviting Forest Stewardship members into the program. There are 1,900 Stewardship forest landowners and the NCTF will be inviting them in increments of 250. The NCTF continues to train Tree Farm inspectors to help with the annual inspections and also with the task of incorporating any new members into the program. The NCTF will also have a February leadership workshop on February 16.

LEGISLATIVE UPDATES

Jack Swanner updated the committee on key issues. He reported that tax reform will be a major issue going forward this legislative session. How taxes are reformed could have a positive or negative impact depending on your viewpoint and what areas are to be reviewed.

The 2013-14 General Assembly will feature a lot of new faces, as roughly 60 percent of the lawmakers are in their first or second term of office. It will be imperative for the Association to be active in the early going of this session, reaching out to the first-term lawmakers. We will once again work with our partner organizations and state agencies to support legislation that is positive for forestry and the forest products industry in North Carolina. The forest products industry continues to be the state's top manufacturing industry with a presence in all 100 counties. The following are updates based on staff reports.

Lawmakers In Raleigh for A Day - On Wednesday, January 9th, the 2013-14 General Assembly Session convened for a day to be sworn into office, elect officers, adopt rules, and organize the legislative year. It marked the first time since the 1890's that all three branches of government were held by Republicans.

Senator Phil Berger (R) was re-elected President Pro Tempore of the Senate, meaning he appoints committee chairs and members for the legislative session.

Representative Thom Tillis (R) was re-elected as the Speaker of the House of Representatives. In his role,

Tillis appoints chairs and members to the standing committees in the House.

In addition to adding one of their own, Pat McCrory (R), in the Governor's mansion, Republicans gained two Senate seats and nine House seats in last November's election.

Among rule changes for the session, the "crossover date" which refers to the date when bills must pass from one chamber to the other was moved from April to May 16th and a limit of 10 was set on bills that can be introduced by an individual lawmaker.

The session will start in earnest on January 30, 2013 and run through June of 2013. Top on the agenda will be the state's budget, tax reform, streamlining regulations and addressing the state's education system, both public and private.

Forest Roads Issue Still Unresolved - More twists and turns have been added to the already complicated forest roads issue last week when the Northwest Environmental Defense Center (NEDC) filed a new lawsuit in the U.S. Court of Appeals for the Ninth Circuit, challenging the newest EPA rule regarding forest roads. Since the EPA issued a national rule, a decision in this case would have national ramifications, not just limited to the Ninth Circuit's jurisdiction.

The contested rule was released by the EPA on the first day the Supreme Court was hearing the case - Decker v. NEDC - which is the original lawsuit that the Ninth Circuit redefined forestry roads as point sources. The forestry position on forest roads remains that the EPA has always treated forest roads as non-point sources that are regulated effectively by state maintained Best Management Practices (BMPs).

In addition to the lawsuit filed in the U.S. Court of Appeals for the Ninth Circuit, but totally unrelated to the other, the Supreme Court allowed a petition from the state of Oregon to provide additional testimony for the case. The Supreme Court also allowed other parties named in the original lawsuit to provide supplemental briefs by January 22. This leads some to believe that the Court has not yet made up its mind what it ultimately wants to do in this case and is in search of more information. It could be seen as a good sign.

So, in summary, the Supreme Court will be accepting more information through January, meaning that movement of any sort would not take place until February at the earliest. And, on the side, there will be another court case starting in the Ninth Circuit as forestry interest will be forced to respond to the new filing by NEDC. There is legislation currently being discussed in Congress that would simplify and reaffirm the status quo on forest roads. It is hoped that some of this legislation can be added into the appropriations bill that is being written to bridge the budget gap between the fiscal cliff compromise (runs through March) and the end of the fiscal year for the federal government.

If this cannot be achieved, forestry interests will look to see the results coming out of the Supreme Court's decision. Observers are concerned that even the best of decisions from the Court might not be enough to clarify the situation. But, if the Supreme Court doesn't make a ruling, and legislation cannot find its way into appropriations legislation, then forestry interests will pursue a legislative option. In the end, legislation may be the best option for permanently resolving this issue.

EPA Hosts Webinar on MACT Boiler Rules - The EPA hosted a webinar on January 10th that summarized the 2012 rules and adjustment to the requirements published on December 20, 2012. The rules were finalized after accepting comments from the March 2011 initial rule. The goal of the rule is to reduce the pollutants mercury, particle pollution, sulfur dioxide, dioxin, lead and nitrogen dioxide.

The EPA stated the four key takeaways from the revised rule are: (1) The environmental benefit and public safety health protection did not change (2) The rules increased flexibility in compliance (3) Maintained the significant cuts of implementation and monitoring costs from the original rule (4) Provided clarity on definitions as to what is considered fuel or non-hazardous secondary material.

The compliance date for this rule will be three years from when it is published, which should be in February of 2013. It is estimated that the cost of the revised rule is roughly \$1.4 - 1.6 billion, which is higher than the

original rule which had a \$1.4 billion price tag. If you need specific technical assistance with this rule, you can get technical assistance by contacting Sara Ayres at ayres.sara@epa.gov or (202) 564-5391.

Revision of Nantahala and Pisgah National Forests Land and Resource Management Plans set to begin in February - Kristin Bail, forest supervisor of the USDA Forest Service National Forests in North Carolina, announced in November that the USFS will begin the formal process of revising the Nantahala and Pisgah National Forests Land and Resource Management Plan. The Plan will guide management of the Nantahala and Pisgah National Forests for approximately 15 years and most likely take three to four years to develop.

NCDA&CS to Hold Public Meetings on Gypsy Moth

The N.C. Department of Agriculture and Consumer Services is seeking input from residents in Caswell, Currituck, Granville, Rockingham and Warren counties concerning treatment options for the non-native, highly destructive gypsy moth. Field monitoring activities conducted by the department in 2012 determined that reproducing populations of the gypsy moth exist in these counties and represent a threat to hardwood trees. The following meetings are scheduled: Tuesday, Jan. 29, at 6:30 p.m. at the Warren County Memorial Library, Warrenton; Thursday, Jan. 31, at 7 p.m. at the Carova Beach Fire Department, Carova; Tuesday, Feb. 5, at 7 p.m. at the Eden Public Library, Eden; Thursday, Feb. 7, at 7 p.m. at the Providence Fire Department, Providence; Tuesday, Feb. 12, at 7 p.m. at the Oxford Tobacco Research Station, Oxford.

The department has addressed spot introductions of the gypsy moth in several areas across North Carolina since the 1970s. The department is working with nine other states through the Gypsy Moth Slow the Spread Foundation Inc. and federal agencies to reduce the expansion of the gypsy moth into uninfested areas of the state. In early spring, gypsy moth caterpillars feed on the leaves of hundreds of plant species, predominantly hardwood trees.

Haywood County Put Under Quarantine for thousand cankers disease

The North Carolina Department of Agriculture and Consumer Services has placed Haywood County wood products under quarantine due to a recent detection of thousand cankers disease in the Great Smoky Mountains National Park

"This marks the first time the disease has been detected in the state, and by placing restrictions on a variety of plant material and wood products, we hope to keep the disease from spreading into other counties," said Agriculture Commissioner Steve Troxler. "Something as simple as moving firewood from an infected area to an uninfected county could increase the risk of spreading this disease."

Thousand cankers disease is a newly recognized disease primarily affecting black walnut trees. It is caused by the *Geosmithia morbida* fungus, which is spread by the walnut twig beetle. Thousand cankers disease has produced widespread death of black walnuts in many western states during the past decade. Other species of walnut, such as Arizona walnut, English walnut and California walnut, have also shown varying degrees of susceptibility to this fungus.

The following items fall under the quarantine restrictions: walnut plants and plant parts including firewood, lumber, logs, stumps, roots, branches, and composted and uncomposted chips. Regulated items cannot be moved outside the county. Exceptions to the quarantine restrictions include nuts, nut meats, hulls, processed lumber with square edges that is 100 percent bark free and kiln-dried, and finished wood products without bark, such as furniture, instruments and gun stocks.

Anyone with questions about this quarantine should contact Phil Wilson, NCDA&CS plant pest administrator, at (919) 707-3730.

TRAINING AND EDUCATION SUBCOMMITTEE REPORT

Scott Brewer presented the report on the training and education subcommittee's progress on next year's module. The topics for Module 14 include: Emergency Action Plan; Logging Rutting Video; Heads up for safety; Hazards when Foresters come to a logging job; Technologies – visiting with loggers who are using technologies. The DVD will be done by June 1. The plan is to hold the first training sessions at the Mid-Atlantic Expo. The SLTC has set the ProLogger Base Course dates for 2013 – the dates include: April 24-26, 2013 in Kinston area and June 12-14, 2013 in Winston-Salem area

ADJOURN

There being no further business and on motion and second, the meeting was adjourned at 1:30 p.m.

Submitted by: Chris Brown, NCFA Director of Communications