

NC SFI SIC & SLTC JOINT MEETING

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

North Carolina Rural Economic Rural Center - Raleigh, NC – January 21, 2015

CONVENE NC SFI SIC MEETING AND INTRODUCTIONS

Committee Chair Jamie Teel, 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	Glen Sheehan
Scott Brewer	Ed Listerman	Scott Smearman
Gail Bledsoe	Rand Mathews	Lynn Stephenson
Steve Cox	Chip Miller	Jaime Teel
Jim Durham	Russ Newton	Marshall Thompson
Ted Garner	Bob Ordnung	Mike Windhorn
Dave Gunderson	Amy Phillips	
Lauren Killian	Bernard Rose	

Others present for all or part of the meeting were:

Chris Brown	Leslie McCormick
Tom Gerow	Eddie Reese
Pryor Gibson	Members of SLTC

ANTITRUST COMPLIANCE STATEMENT

Jaime Teel 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

Jaime Teel declared that a quorum was present at the meeting and that the meeting would proceed as planned.

MINUTES OF THE LAST MEETING

Jaime Teel asked members to review the minutes from the last meeting. Two technical corrections were requested and have been made to the minutes. On a motion and second to approve the minutes, they were approved with those corrections. The approved minutes are posted to the NC SFI SIC website under the meeting section.

NC SFI SIC TREASURER'S REPORT – AMY PHILLIPS

Prior to the meeting, Amy Phillips led a review of the bank statements as part of a third party audit of the committee's finances for 2014. A few of the members of the NC SFI SIC participated in this review and the numbers were consistent with the approved budget. Phillips then led a review of the 2014 budget for the committee and also updated the committee on the 2015 budget.

NC SIC Treasury Report January 2015

	2014 <u>Budget</u>	2014 <u>Actual</u>
SIC Dues	\$ 139,100.00	\$ 142,888.05
Interest	\$ 500.00	\$ 679.41
Total =	\$ 139,600.00	\$ 143,567.46
<u>Administrative:</u>		
NCFA	\$ 21,000.00	\$ 21,000.00
Misc Exp	\$ 250.00	\$ 560.00

Travel	\$ 2,000.00	\$ 1,004.79	
Total =	\$ 23,250.00	\$ 22,564.79	
<u>Landowner Outreach:</u>			
Landowner Guide			
Tree Farm			
Misc. Landowner Outreach	\$ 2,000.00	\$ 250.00	(NRCS wkshp)
Total =	\$ 2,000.00	\$ 250.00	
<u>Training and Education:</u>			
Logger Training			
Silvicultural Contractor Training			
Certified Logger Program			
Total =	\$ -	\$ -	
<u>Information Resources:</u>			
Promote SFI at NC Legislation			
Certification Workshops			
Purchase 1 display/materials			
Scholarship			
SFI Certification at universities			
NC SIC Website	\$ 1,000.00		
Teacher's Tour			
Forestry Camp - G'boro T-shirts	\$ 500.00	\$ 503.44	
East Wilkes HS FFA	\$ 500.00	\$ 500.00	
Total =	\$ 2,000.00	\$ 1,003.44	
<u>Market Outreach:</u>			
NC SIC booths	\$ 1,500.00		
Purchase displays/materials	\$ 1,500.00		
Customer Communication	\$ 1,250.00		
Recruitment			
Total =	\$ 4,250.00	\$ -	
<u>Grants Approved:</u>			
Wake Soil & Water Conservation	\$ 1,000.00	\$ 1,000.00	
FECV - Sustainable Teachers Academy	\$ 35,000.00	\$ 35,000.00	
FECV - Forestry & Env. Camp	\$ 10,000.00	\$ 10,000.00	
FECV - NC Science Teachers			
FECV - Pro Logger video	\$ 10,000.00	\$ 10,000.00	
FECV - Goods from the Woods boxes	\$ 10,000.00	\$ 10,000.00	
NC Tree Farm - Landowner Outreach	\$ 7,000.00	\$ 7,000.00	
NC Tree Farm - Stewardship			
NC Tree Farm - Display & brochure reprint	\$ 2,750.00	\$ 2,750.00	
NC Tree Farm - Website & e-newsletter	\$ 8,600.00	\$ 8,600.00	
NCSU - FEOP Teachers Academy Survey			
NCSU - FEOP PLT Facilitator training	\$ 5,000.00	\$ 4,555.55	

NC Coastal Land Trust	\$ 8,500.00	\$ 8,500.00
Cradle of Forestry in America Interpretive Assoc.	\$ 2,100.00	
2015 Grant NCSU-FEOP Plan 2015 Piedmt SFTA		\$ 3,000.00
Total =	\$ 99,950.00	\$ 100,405.55
<u>Inconsistent Practices:</u>		
Monitor/Phone line/Reporting Reporting	\$ 3,000.00	\$ 2,414.80
Consultants	\$ 3,000.00	
Total =	\$ 6,000.00	\$ 2,414.80
TOTAL EXPENSES =	\$ 137,450.00	\$ 126,638.58
Checking Acct Balance - December 31, 2013	\$ 67,533.41	
Current Checking Acct Balance - December 31, 2014	\$ 170,462.29	
Estimated Checking Acct Balance - January 15, 2015	\$ 57,039.29	(checks written at year end, not yet cleared)

\$500 approved for Greensboro camp T-shirts - not in original budget

\$500 approved to East Wilkes HS FFA to aid with travel expenses to national forestry competition - not in original budget

NCSU-FEOP 2015 Grant for planning Piedmont SFTA - approved and paid in 2014

NC SIC Treasury Report January 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	% of <u>Budget</u>
SIC Dues	\$ 136,450.00		
Interest	\$ 450.00		
Total =	\$ 136,900.00	\$ -	
<u>Administrative:</u>			
NCFA	\$ 21,000.00		
Misc Exp	\$ 250.00		
Travel	\$ 2,000.00		
Total =	\$ 23,250.00	\$ -	17%
<u>Landowner Outreach:</u>			
Landowner Guide			
Tree Farm			
Misc. Landowner Outreach	\$ 2,000.00		
Total =	\$ 2,000.00	\$ -	1.46%
<u>Training and Education:</u>			
Logger Training			
Silvicultural Contractor Training			
Certified Logger Program			
Total =	\$ -	\$ -	0%
<u>Information Resources:</u>			
Promote SFI at NC Legislation			
Certification Workshops			

Purchase 1 display/materials			
Scholarship			
SFI Certification at universities			
NC SIC Website	\$ 1,000.00		
Teacher's Tour			
Total =	\$ 1,000.00	\$ -	0.70%

Market Outreach:

NC SIC booths	\$ 1,500.00		
Purchase displays/materials	\$ 1,500.00		
Customer Communication	\$ 1,250.00		
Recruitment			
Total =	\$ 4,250.00	\$ -	3.10%

Grants Approved:

Wake Soil & Water Conservation	\$ 1,000.00	\$ 1,000.00	
FECF - Sustainable Teachers Academy (2)	\$ 40,000.00		
FECF - Forestry & Env. Camp	\$ 10,000.00		
FECV - Pro Logger video	\$ 10,000.00		
FECV - Goods from the Woods boxes	\$ 10,000.00		
NC Tree Farm - Landowner Wkshp/Annual Mtg	\$ 8,500.00	\$ 8,500.00	
NC Tree Farm - Ethic Workshop	\$ 4,500.00	\$ 4,500.00	
NC Tree Farm - New Members Welcome Pkg	\$ 3,400.00	\$ 3,400.00	
NC Tree Farm - Website & e-newsletter	\$ 7,000.00	\$ 7,000.00	
Elkin Valley Trails Association	\$ 7,500.00		
National Railway Historical Society, Inc	\$ 2,500.00	\$ 2,500.00	
Southern Appalachian Branch of the QDMA	\$ 1,700.00		
2015 Grant NCSU-FEOP Plan 2015 Piedmt SFTA		\$3000 - paid 2014	
Total =	\$ 106,100.00	\$ 26,900.00	77.50%

Inconsistent Practices:

Monitor/Phone line/Reporting	\$ 3,000.00	\$ 523.00	
Reporting			
Consultants	\$ 3,000.00		
Total =	\$ 6,000.00	\$ 523.00	4.38%
TOTAL EXPENSES =	\$ 142,600.00	\$ 27,423.00	

Checking Acct Balance - December 31, 2014 \$ 170,462.29

Current Checking Acct Balance - December 31, 2014 \$ 170,462.29

Estimated Checking Acct Balance - January 15, 2015 \$ 57,039.29 (checks written at year end, not yet cleared)

NCSU-FEOP 2015 Grant for planning Piedmont SFTA - approved and paid in 2014

SFI UPDATE

Jaime Teel provided an SFI update, including sharing the SFI's Levels of Participation document.

**SFI Levels of Participation
SFI Board Approved on December 6, 2013
(Updated December 2014)**

In an effort to broaden participation in the SFI program and clarify the different levels of participation SFI offers, SFI Inc. created three distinct levels of participation. Details regarding each level are below.

- I. Applicant:
 - a. A forest landowner, forest land manager, or primary forest products producer operating in the United States or Canada who joins SFI to get a better understanding of the SFI Standard, requirements and SFI Implementation Committees before moving forward with SFI certification.
 - b. Applicants have not yet proceeded to certification, thus they cannot use the SFI off-product mark or the SFI on-product label, cannot make claims that they conform to the SFI Standard, and cannot make claims that their products are certified. These organizations pay SFI an annual licensing fee based on sales and land managed.
 - c. Applicants have two years to move to the SFI Program Participant category. However, staff would work with the Applicant to ensure a smooth transition if they cannot meet the two-year deadline.
 - d. Applicants are required to participate in the SIC where significant operations exist, i.e. majority of forestland owned and/or fiber procured.

- II. SFI Program Participant:
 - a. A forest landowner, forest land manager, or primary forest products producer operating in the United States or Canada who participates in the SFI program through a contractual agreement to abide by the SFI 2010-2014 Standard, and who has been certified by an accredited SFI certification body to be in conformance with the SFI 2010-2014 Standard. These organizations pay SFI an annual licensing fee based on sales and land managed. Because certification is independent from SFI Inc., licensing fees have no impact on certification status. These organizations are required to participate in the SIC where significant operations exist, i.e. majority of forestland owned and/or fiber procured.
 - b. An organization that has been certified by an accredited SFI certification body to be in conformance with the SFI Chain-of Custody Standard and associated labels (Sections 3 and 4).
 - c. A Program Participant can make claims regarding their certifications and can access and use SFI on-product labels provided they meet the SFI Label Use Requirements.

- III. SFI Affiliate:
 - a. This level of participation is intended for any association, conservation group, community group, university, buyer of forest products, or an individual that supports the SFI program. If an organization is not eligible for SFI certification or does not put product into the marketplace, then it can become an SFI Affiliate.
 - b. SFI Affiliates would need to demonstrate their support of the principles and objectives of the SFI program, and are encouraged to promote their support on their website, newsletters and other media. SFI Affiliates would also be encouraged to promote the SFI program.
 - c. SFI Affiliates are encouraged to support the local SFI Implementation Committee in their state/province or region; however SIC support is not required. [Please note: local SIC Supporters are not required to financially support the SFI Inc. national organization; however their support is welcomed, if they so choose.]
 - d. Fee Schedule for SFI Affiliates:
 - \$2,500 -- For-Profit Organizations
 - \$500 -- Universities and Non-Profit Organizations
 - \$100 – Individuals

7. 2015 GRANT UPDATE

Jaime Teel provided an overview of the grant recipients for 2015. Several groups have expressed their appreciation for the financial support through letters and e-mails, notably the East Wilkes High School, North Carolina Tree Farm Program and the National Railway Historical Society. It was also noted that the North Carolina SFI State Implementation Committee and the NCFA were recognized as the B.C. Raynor Friend of the District Award by the Wake Soil and Water Conservation District at its meeting in December of 2014.

Group	Request	Grant
Elkin Valley Trails Association	\$12,000.00	\$7,500.00
National Railway Historical Society Inc	\$3,800.00	\$2,500.00
Wake Soil & Water Conservation District	\$2,300.00	\$1,000.00
Southern Appalachian Branch of the QDMA	\$2,700.00	\$1,700.00
NCSU - FEOP - Piedmont SFTA Planning	\$9,000.00	\$3,000.00
NCFA-FECF Goods from the Woods Boxes	\$16,000.00	\$10,000.00
NCFA-FECF Forestry & Environmental Camps	\$15,000.00	\$10,000.00
NCFA-FECF - Pro-Logger Video	\$15,000.00	\$10,000.00
NCFA-FECF Teachers Academies	\$65,000.00	\$40,000.00
NC Tree Farm Landowner Workshops & Annual Meeting	\$8,500.00	\$8,500.00
NC Tree Farm Electronic Newsletter & Website	\$11,520.00	\$7,000.00
NC Tree Farm New Members Welcome Package	\$3,400.00	\$3,400.00
NC Tree Farm Ethic Workshop	\$7,630.00	\$4,500.00

INFORMATION RESOURCES SUBCOMMITTEE REPORT

No Report.

MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT

Rand Mathews presented a final draft of a story on the SFI program and the NC SFI SIC that the committee will attempt to share with Carolina Country magazine in combination with an advertisement that will feature the NC SFI SIC logo and information on the inconsistent practice number. The article was written by committee, namely Scott Smearman, Rand Mathews, Chris Brown and Bryan Hulka. After reviewing the document, the committee believed that the only change needed was a new title. The subcommittee would change the title and move forward with sharing the article with Carolina Country.

The following is the document and new title.

Sustainable Forestry Initiative® Fortifies North Carolina Forests

North Carolina's abundant forest resources provide breathtakingly beautiful scenery, incredibly diverse wildlife habitats, endless recreational opportunities, and produce our cleanest water for all North Carolinians to enjoy. North Carolina's

forests also provide the starting point for the state's largest manufacturing industry, forest products. This industry supports more than 122,000 jobs and contributes over 24 billion dollars a year to the state's economy. Let's be clear. These forests are not here by chance. Roughly 85% of the 18.5 million acres of forest in North Carolina are privately owned. A majority of those forested acres are the result of proper stewardship by the private landowner. More than likely, these forests are linked to a long-term investment and sweat equity from the forest landowner.

North Carolina is both, "First in Flight" and "First in Forestry." Forestry principles were introduced to the U.S. in 1898 at America's first forestry school, the Biltmore Forest School in western North Carolina. Launched by George Vanderbilt and renowned forest educator, Carl Schenck, basic forest concepts were taught, such as replanting trees after harvest, protecting creeks and streams from sedimentation, and how changes in the forest affect wildlife.

Over the years, foresters and forest landowners have employed Schenck's concepts and made tremendous strides in forestry practices. A certification standard, the Sustainable Forestry Initiative (SFI[®]), was established in the 1990's to codify these practices and provide guidance for the forest products industry. The SFI standard focuses on Best Management Practices to protect water quality, biological diversity, special sites, forest productivity, and aesthetic considerations. To maintain SFI certification, each member company must pass a periodic third party audit verifying that it meets the SFI standards within its forest management and/or procurement operations. Please look for the SFI Certification logo on products you use every day.

Locally, the North Carolina SFI State Implementation Committee (SIC) coordinates the execution of the SFI standard in the state. Operating under the umbrella of The North Carolina Forestry Association (NCFA), the SIC is comprised of a group of dedicated professionals from forest products companies certified to the SFI standard, state agencies (including the North Carolina Forest Service), conservation groups, educational institutions and other stakeholders such as the Carolina Loggers Association.

SIC members are required to contribute funds based on the wood they consume and/or forest acres owned. This revenue supports a grant program that any non-profit group can apply for and put SFI principles into action. One example of a successful grant project is the Sustainable Forestry Teachers' Academy, an interactive workshop where school teachers are immersed in sustainable forestry and the forest products industry through lectures and visits to various facilities and forests. Another flourishing grant recipient is the North Carolina Tree Farm Program, www.nctreefarm.org, which uses SIC funds to certify family forests. You can learn more about the SIC grant program at www.ncsfi.org.

Perhaps the greatest impact SFI has had on the ground is the requirement of a trained logger during timber harvest. As part of the forestry cycle, harvesting activities can potentially have a stark impact visually and environmentally. Recognizing this, SIC companies are committed to utilizing qualified logging professionals. The SIC collaborates with the NCFA to ensure that its ProLogger training program addresses the SFI standard through curriculum. With over 1,400 individuals in its ranks; ProLogger candidates complete a three-day base course and commit to an annual continuing education requirement. The program emphasizes the basics: safety, environmental, and business practices. If you recently conducted a timber harvest on your property, chances are it was performed by a ProLogger. And that is a good thing because our guys are the best!

In the event a SFI program participant fails to meet the objectives as set forth in the SFI standard, the SIC maintains an Inconsistent Practices toll free phone number (877-271-6531) to report any forestry activity that is not consistent with the criteria of the SFI program. All reports are investigated in the strictest confidence by the SIC's third-party monitor. Complaints made to the NC Forest Service are reviewed for compliance to the SFI program as well. Much has changed in North Carolina since Professor Schenck launched his forestry school at the Biltmore estate, but the core concepts of sustainable forestry are timeless. To ensure sustainability, the SIC stands watch over North Carolina's growing forest resources. Our future depends on it.

LANDOWNER OUTREACH SUBCOMMITTEE

Leslie McCormick provided an update on the North Carolina Tree Farm Program. McCormick highlighted the following two page document.

N.C. Tree Farm Program, Report to the SFI-SIC, January 21, 2015

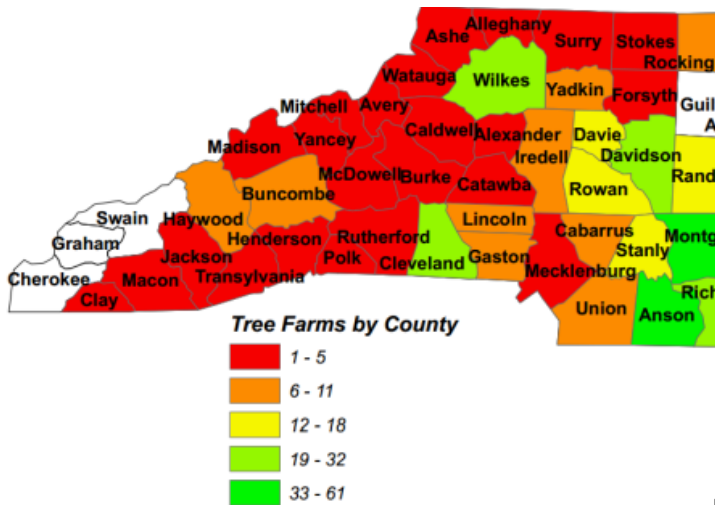
Currently Certified:

Tree Farms: 983
 Acreage: 274,223
 Average Size: 280
 Decertifications: 8

New Certifications in 2014:

Tree Farms: 94
 Acreage: 20,780
 Average Size: 221

Geographic Distribution of Tree Farms



2014 Required Inspections

Required Inspections:

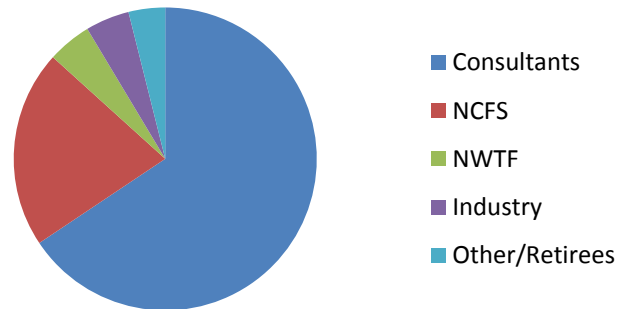
Total: 22
 Total: 29
 Completed: 22
 Decertifications: 4

2015

Inspectors:

Total Number of Inspectors: 271
 Active Inspectors: 51 (19%)
 Total # Inspections: 128
 NCFS Inspections: 27 (21%)
 Consultant Inspections: 84 (66%)
 Industry: 6 (4.6%)
 National Wild Turkey Federation: 6 (4.6%)
 Retired Foresters: 5 (3.9%)

2014 Tree Farm Inspections



2015-2020 Standards Transition:

Jan. 1: New standards went into effect
 Feb. 3, 5: Facilitator training

March 15: All new Tree Farms must be inspected to the new standards.
 Required and re-inspections must be conducted to the new standards
 2016: State programs undergoing assessment will be assessed to the new standards

Inspector Training:

- Online: Available to active inspectors (those who are trained to 2010-2015 standards and have completed at least one inspection within the last two years)
- Workshops: Required for new inspectors and for those who are trained to the 2010-2015 standards but have not completed an inspection within the last two years

Inspector Training Workshops in N.C.:

- Feb. 24: Greenville
- March 12: Carthage
- March 26: Mills River
- TBD: Winston-Salem

Outreach and Education:

Joe Cox is the new Vice President of Outreach and Education

Workshop Sponsorships and/or Presentations:

- Jan. 15: Chatham Conservation Partnership, Jordan Lake Educational State Forest
- Jan. 28: Keeping the Farm, Raleigh
- Feb. 11: Forest Summit, Williamston
- Feb. 19: Herbicide Workshop, Farmville
- Feb. 21: Wildlife Workshop, Washington
- Feb. 26: Duplin County Landowner Workshop, Kenansville
- April 30: Western N.C. Timber Conference, Waynesville
- TBD Land Ethic Workshop, location TBD

Stewardship Outreach Project:

- 4-touch direct mail campaign to 1,550 Forest Stewardship Program participants
- 191 respondents representing 25,072 acres (10% of total Stewardship acreage)
- 12.32% overall response rate (16.75% for information request, 5.03% for forester visit)
- 6 certifications representing 568 acres
- Next steps: follow up with 191 hand-raisers (strategy still in development)

Fund Raising Phase 2:

- Target: Tree Farmers
- Developing strategy in first quarter
- Campaign will begin in late second quarter
- Various giving opportunities: memorials/honorariums, proceeds from timber sales, donation of stock

***The N.C. Tree Farm Program thanks the SFI-SIC and individual companies
 for your continued support of our programs.***

INCONSISTENT PRACTICES SUBCOMMITTEE

Steve Cox presented the report. He noted that he was able to change the phone carrier and rerecord a new message on the inconsistent practices hotline. He submitted the following report on the year.

INCONSISTENT PRACTICES MONITORING PROGRAM - LOG

Year: 2014

	Q1	Q2	Q3	Q4	Total
Total Number of Phone Calls	17	27	20	3	67
Total Number of Invalid Phone Calls	15	24	18	3	60
Total Number of Valid Phone Calls	2	3	2	0	7

Open Inconsistent Practices	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Closed Inconsistent Practices	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Open FPG Inconsistent Practices	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>	<u>0*</u>
Closed FPG Inconsistent Practices	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>	<u>0*</u>
Total Open Inconsistent Practices	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Closed Inconsistent Practices	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes on Calls: Invalid calls have been reduced due to the improved messaging system and our new SFI message.

*Notes on FPGs: Have not received any updated FPG report as of this date ,the last report being dated 8-19-14. Will revise this report when FPG report is received.

LUNCH

Both committees reconvened jointly for the afternoon session. Eddie Reese, the NCFA’s new Forestry Program Manager introduced himself to the NC SFI SIC. Reese, a graduate of North Carolina State University, had spent over a decade with the North Carolina Forest Service.

FORESTRY ISSUE UPDATE – GAIL BLEDSOE and TOM GEROW, NCFS

Gail Bledsoe provided an update on the North Carolina Forest Service and the ongoing review of the Forest Practice Guidelines.

The first stage:

NCFS classification of the rules into one of the three categories (unnecessary, necessary without substantive public interest, or necessary with public interest) and any supporting documentation is due by mid-December. The classifications and supporting documentation will be sent to the Board of Agriculture for review and they will need to adopt the initial classifications at their January 14, 2015 meeting. After that meeting, everything will be posted online, and Chrissy Waggett will fill out the forms for OAH. She will turn those in by Jan 22nd for the official 60-day public comment (Jan 29th thru March 30th). When that comment period closes, NCFS has to respond to any comments received and then the Board will adopt the final classifications at their April 22nd meeting. The official reports will have to be in to OAH by the June 15th deadline for the Rules Review Commission (RRC) to review at their July 2015 meeting.

The second stage: There are three possible RRC recommended outcomes for a rule:

1) For all rules the RRC determines to be (1) necessary and without substantive public interest, and either (2a) no public comment was received, or (2b) public comment was “without merit,” the rules would remain in effect with no further action. 2) For all rules the RRC determines to be (1) unnecessary, and either (2a) no public comment was received, or (2b) public comment was without merit, the rules would expire. This expiration of the rule appears to happen by operation of law and without need for an additional rulemaking to repeal the rule. 3) For all rules the RRC determines to be necessary with substantive public interest, the rules would be readopted as though the rules were new. Re-adoption of these rules would occur through the state’s administrative procedure process.

The RRC must then send a report to a legislative oversight committee for consultation. The committee has 60-days to consider the report. If the committee does not meet in that time period, the RRC determinations become effective. If the legislative committee meets and disagrees with an RRC determination, the committee may recommend further action by the General Assembly. The re-adoption process could include stakeholder meetings and public comment.

Tom Gerow updated the committees on two projects the NCFS has underway.

Preharvest Planning Project – Gerow provided copies of an early draft of sample site reports and soil summary reports that would be available from the online “Forest Preharvest Planning Tool” that NCFS is developing. The idea is to provide canned reports that users could print, after drawing out their harvest unit areas. And allow the user to make customized harvest planning maps/aerials that show where certain BMPs may be needed on the tract. Gerow asked for volunteers to assist with testing the system once it is ready for test, probably sometime this Spring, and received interest from about six committee members.

Satellite Imagery Project - Gerow also briefly noted a separate project also under development that would allow NCFS personnel to identify locations that appear to be recently harvested sites, by using satellite imagery and GIS. This is a project that is being developed for use across the southern region, and is intended to help agency foresters conduct timely BMP site visits, before potential

water quality problems occur, and offer prompt reforestation advice to landowners. This project is expected to be ready within the next year.

LEGISLATIVE UPDATES – CHRIS BROWN

The 2015-16 Legislative Session is a Long Session, meaning the General Assembly will start on January 27th and continue through July. One early issue is the possible elimination or consolidation of the NC Board of Forestry Registration. In review, the Performance Education Division recommended to the General Assembly that it review the authority of 12 agencies to issue licenses and consider consolidating 10 individual agencies with other regulatory entities. The North Carolina State Board of Registration for Foresters appeared on both lists in the report. The NCFA has reached out to partners and has submitted a letter of support for the keeping the Board of Registration for Foresters.

Taxes/Fees will continue to be an issue. General Assembly will be looking to raise revenue. Will look at the existing Sales Tax Exemption for Small Farmers with the possibility of adding a forestry component to the \$10,000 threshold as in line with PUV.

Transportation and infrastructure needs continue to be a hot topic. There is an acknowledgement of elected officials and business leaders that North Carolina's highways and roads need to be improved. Solutions could be more toll roads, increasing gas tax, turning ownership of roadways to federal government as part of highway system, etc. Are part of this coalition and will continue to press for improvements in rural roads and bridges. Forestry Day in the Legislature will take place on May 20, 2015. We encourage all of our board members to make this day a priority.

Last week, the U.S. Fish and Wildlife Service (USFW) held a series of conference calls to announce the publication of a 4d Rule related to the proposed listing of the Northern Long Eared Bat (NLEB). The USFW is not due to announce the designation until April 2, 2015. Back in October of 2013, the USFW proposed to list the NLEB as endangered under the ESA in October 2013. The major threat to the bat's population is the White Nose Syndrome (WNS).

The Service's options include listing the species as endangered; listing as threatened; listing as threatened with a 4(d) rule; and withdrawing the proposal to list. In general, the proposed restrictions on forestry and other activities would be extreme if the NLEB was to gain Endangered status and would have a dramatic impact on the rural economies in the range of the bat. The NLEB's territory includes 38 states. By introducing the 4d Rule, the USFW service has sufficient time (60 days) to take comments on the proposed rule in time for the April 2, 2015 designation date.

The USDA recently met with both sides of the Hardwood Checkoff debate to provide an update on where they were with the proposed program. In brief, the Hardwood Checkoff program would collect fees to promote the hardwood industry similar to other USDA campaigns for other commodities such as milk. In the meetings, the USDA conceded that the funding for moving a checkoff program off the drawing boards had been exhausted without a clear resolution to either proceed or abandon the project.

Interestingly, after both sides met separately with USDA, the two sides came away from two different interpretations from those information sessions. The Hardwood Checkoff Committee, which supports a checkoff program, pledged a new bond to fund further efforts on behalf of the program. The committee sees this as a continuation of the original effort. The U.S. Hardwood Lumber Industry Coalition does not see it that way at all. They believe the original program is done. Any new initiative would put the proposed program back to square one.

The NCFA signed on to a letter in support of maintaining the current tax advantages for forest landowners. The letter is being initiated from NAFO and will be sent to the leaders of the House Ways and Means Committee and the Senate Finance Committee. The provisions are:

- Receive capital gains treatment for the harvest of timber or sales of standing trees. (Sections 1231(b)(2) and 631(a)&(b));
- Deduct the costs of forest management, including prevention measures (fire, pest and disease), thinning, fertilization, interest, taxes, protection of wetlands, and forestry activities. (Sections 162 and 263A(c)(5));
- Invest in timberland Real Estate Investment Trusts (REITS); and
- Deduct up to \$10,000 of reforestation costs per stand, with the remainder amortized over 7 years. (Section 194).

TRAINING AND EDUCATION SUBCOMMITTEE REPORT NEW BUSINESS

Scott Brewer presented his subcommittee's recommendations for topics for the Module 16 training. The background information and proposed topics are listed below. The topics were approved by a unanimous vote of the two committees.

The following is a brief outline of the topics discussed over the past two months for potential inclusion in the Module 16 Training DVD. The NCFA's Chris Brown met with John Paul Dame with Krash Creative Solutions, who has produced all of our training films and promotional pieces over the years.

In 2016, the NCFA will be joining efforts with South Carolina and Florida to create a training co-op where all three groups share training materials. This year, South Carolina will be sharing its business portion with the group. The NCFA will be sharing its SFI piece. Florida will be sharing an endangered species piece. This sharing will help all parties involved save production costs.

The ProLogger program is based on the triangle of Safety, Business and Environment. As is the tradition of past modules, the goal is to create a training session that addresses all three areas with equal emphasis and is roughly two hours in length.

The timeline for the project is to identify participants and gather information in January and February. Filming is to start in February and March. Revisions and editing will take place in April. The goal is to complete the project by June. We also hope to create "segment circles" on each topic and have continuous e-mail contact during the production process. We hope to update both committees at key points in the process.

MODULE 16 DRAFT OUTLINE

1) Business Section from South Carolina (Business)

South Carolina will be producing this segment with Dr. Dale Greene, who is the Interim Associate Dean for Academic Affairs and Professor Forest Operations with Warnell School of Forestry and Natural Resources at the University of Georgia. Dr. Greene teaches an extremely popular course on logging costs that several of our members have attended.

2) SFI Updates (Environmental)

The SFI standard made several updates to its standard this year. We received a grant from the NC SFI SIC to produce this section on updating ProLoggers on standard enhancements. The topic include: **IMPROVING FORESTRY PRACTICES: Species of concern:** SFI Program Participants must address conservation of known sites with viable occurrences of significant species of concern. **Water quality:** SFI mandates the use of best management practices that are comprehensive and go well beyond legal requirements to protect water quality. SFI Program Participants must implement protection measures to protect all water bodies including rivers, streams, lakes and wetlands. **Fiber sourcing:** The new SFI 2015-2019 Fiber Sourcing Standard distinguishes SFI from all other forest certification programs in that it requires the responsible procurement of fiber from non-certified lands. **Forestry research, science and technology:** Unique to the SFI Standard is the requirement that SFI Program Participants invest in forestry research, science and technology. **REDUCING RISK TO FUTURE FORESTS: Forest conversion:** SFI prohibits conversion of forest cover type to another forest cover type except in justified circumstances, such as dealing with disease. **Illegal logging and controversial sources:** All non-certified forest content must either be from certified sourcing, recycled content or from non-controversial sources. **Chemicals:** SFI requires the minimization of chemical use and the use of only government-approved chemicals. Pesticides listed under the Stockholm Convention on Persistent Organic Pollutants are banned and World Health Organization type 1A and 1B pesticides are prohibited, except where no other viable alternative is available. **Biotechnology and genetically modified trees:** The use of fiber from genetically engineered trees via forest biotechnology is not approved for use in SFI-labeled products. SFI will proactively review the research that is still being conducted to study the ecological cost benefits of genetically engineered trees and regulations concerning forest biotechnology as research continue to evolve.

Participants in Filming and Providing Information: Bryan Hulka, Steve Tomlin (if available), Chris Brown, John Paul Dame, Jaime Teel, Billy Cipriani, Jack Swanner. Will recruit volunteers for in woods shooting.

3) PPE Maintenance & Proper Use (Safety)

This segment will focus on the proper care and use of Personal Protection Equipment. This topic is in response to feedback received by our partners with North Carolina Department of Labor. We have touched on this topic lightly in previous modules, but it will be a focus segment.

Steve Crawley of Crawley Timber Company has an ongoing program for PPE care and has agreed to participate in the production. He regularly cleans his chaps for his crew and ensures that all of his crew's PPE is in working order. He will touch on the cost and pride benefits for his crew.

Bryan Wagner of Forestry Mutual will detail the proper use of PPE and the cause and effect of using proper PPE. Wagner will highlight through live demonstrations and on camera testimony. Wagner will also touch on how new equipment/machinery can trigger the need for additional PPE.

A North Carolina Department of Labor representative will highlight cases that they have documented over the past year. We will select the person and coordinate filming with the on location when we visit Crawley Timber.

Participants in Filming and Providing Information: Steve Crawley, Crawley Crew, Bryan Wagner, North Carolina Department of Labor, Chris Brown, John Paul Dame, Jaime Teel, Billy Cipriani, Jack Swanner. Will recruit volunteers for in woods shooting.

4) Truck Safety (Safety)

This segment will focus on the truck safety from the log deck to the mill. This segment is in response to the need to focus on truck safety in our industry. It will highlight some new successful programs that are currently in use by member companies.

The idea on the segment is to start in the woods with Anthony Andrews.

The next step will be driving into a facility. In this segment, we will explore best practices for truck drivers and also include safety on the facility grounds for workers at the facility. Mark Britton will host this segment.

The final portion of this piece will highlight what some members are doing in terms of tracking their trucks on the road. We have members who have done some innovative ideas. We will research and highlight some of these successful programs.

Participants in Filming and Providing Information: Mark Britton, Anthony Andrews, TBD, Chris Brown, John Paul Dame, Jaime Teel, Billy Cipriani, Jack Swanner.

5) Review/Revisit Streamside Zone Management

This segment is a request from a member of the NC SFI SIC who believes that we need to revisit some water quality issues. There was talk of getting some fundamentals back into our module in areas where we may be seeing some problems.

We hope to use some stock footage that we have used in the past on this topic to build a quality segment that highlights the need to protect water quality.

We also plan on adding to the segment by highlighting how the North Carolina Forest Service tracks non-compliance and compliance logging sites and how that information is shared. This would re-enforce how compliance can impact audits. We could also add to this segment by asking for comments from a SFI auditor.

Participants in Filming and Providing Information: Gail Bledsoe, NCFS personnel, Chris Brown, John Paul Dame, Jaime Teel, Billy Cipriani, Jack Swanner.

6) Forest Health Update

This section would provide an update from the NCFS Forest Health personnel. Over the past few years, we have dealt with different quarantines and other provisions regarding forest pests/insects. We have done a complete section in the past on invasive species. The idea is to provide our forest health partners the opportunity to provide a quick, expert update for our ProLoggers.

Participants in Filming and Providing Information: Rob Trickle & staff, Chris Brown, John Paul Dame, Jaime Teel, Billy Cipriani, Jack Swanner.

OTHER BUSINESS

NC SFI SIC MEETING DATES: May 13 at the NCFA, (Grant Review Committee will meet on July 28 at the NCFA), August 12 at the NCFA, November 12 at the NCFA. All meetings start at 9:30 a.m.

SLTC MEETING DATES: April 8 at McLaurin's Farm, August 12 at Smithfield Chamber of Commerce, Smithfield, NC, November 4 at Drake Landing, Fuquay-Varina, NC. All meetings start at 9:30 a.m.

ADJOURN

There being no further business and on motion and second, the meeting was adjourned at 1:00 p.m.

Submitted by: Chris Brown, NCFA Director of Communications