



Meeting Summary
Forest Products Cluster Working Group - Summit Meeting
December 13, 2011

Thank you to all who joined us for the Southeast Economic Summit held on December 13, 2011, at Centennial Hall in Juneau Alaska from 8:00 AM to 5:00 PM. This document is a summary of the proceedings of the Visitor Products Cluster Working Group breakout session.

Cluster Meeting Process

The meeting was led by Forest Products Cluster Co-chair Wade Zammit, President, Sealaska Timber. He presented six redefined initiatives and suggested resource team members for each. These redefined initiatives will kick off Phase 2 of the Forest Products Cluster Working Group (CWG) initiatives process. The group discussed each initiative. The meeting ended with a discussion on general concerns of the Forest Products industry.

Meeting Discussion Notes

Co-chair Zammit presented six redefined initiatives for the group as follows. For the six redefined initiatives, the resource teams will meet to refine them, develop a work plan with a time line, identify what outside resources might be needed, develop a budget if funding is needed, etc. The work should be completed by January 20.

1. *USFS Young Growth – Investigate and recommend the addition of young growth acres to the timber production land base of the USFS in the Tongass National Forest. Starting with the current base generated from Phase I of the cluster initiatives of 270,000 acres, move to a target of between 450,000 and 600,000 acres. The Team should also include the process required to implement that change in acreage. Resource Team: Brian Kleinhenz (Leader), Clarence Clark, Keith Rush, Sheila Spores, Karen Hardig*

Discussion: Need money to check inventory on the ground.

2. *USFS Old Growth – Determine and define the old growth land base and associated timber supply for producing the 30 years of timber supply for the industry in Southeast Alaska. Resource Team: Ron Wolfe (Leader), Paul Slenkamp, Bryce Dahlstrom, Lindsey Ketchel, Merrill Sanford, Dave Harris, Dennis Watson, Kent Nicholson*

Discussion: Need to add to resource team a small operator that depends on old growth for its niche products, such as Dan Wright (?) or possibly Michael Kampnich representing these interests.

3. *Integrate all land ownership into the Young Growth Forest analysis for future supply base and volume potential.*
 - a. *State lands inclusive of Mental Health Trust and University of Alaska*
 - b. *Village Corporations*
 - c. *Native Corporations*
 - d. *Other (e.g. pending Sealaska legislation)*

Resource Team: (Leader not designated, but Ted Schenk suggested) Ron Wolfe, Larry Jackson, Ted Schenk, Allen Brackley, Jim McWhorter, Jon Martin

Discussion: It was suggested that this initiative should integrate all ownership into both the young and the old growth analysis. It was further suggested to add British Columbia. Landowners must align metrics for defining, measuring, and mapping the timber base. A neutral entity is needed to pull this data together across land ownerships. Possibly add Dave Albert (TNC) to this Resource Team. He has used GIS and existing information to complete much of this already, and he has pulled timber and other resource information across land ownerships together for the region.

4. *Define and design a process to move the product of initiatives one and two into a Congressionally-designated timber producing land base. Resource Team: Clarence Clark (Leader), Paul Slenkamp, Wade Zammit, Lindsey Ketchel, John Sisk/Keith Rush, Ruth Monahan*
 - a. *Political, legal, and process mapping*

Discussion: Emphasis here is on defining the process, not doing the process. Need to interface with the State Timber Jobs Task Force work here.

5. *Define and refine the potential scope and scale of an integrated forest industry for Southeast Alaska with a potential formulation timeline. Resource Team: Wade Zammit (Leader), Bryce Dahlstrom, Bill Thomason, Michael Kamprnich, Allen Brackley*

Discussion: This initiative starts with the given land and timber base to define what is the industry and scale that can be sustained. A suggestion was made to start “at other end” and use a charette process to define the desired industry/jobs and scale. The discussion concluded that this has merit, and that both efforts should occur simultaneously. They can “meet in the middle,” and in an iterative process each can inform/refine the other effort.

6. *Establishment of a Process Improvement Task Force to work with the USFS at the District, Forest Supervisor and Regional levels to create, refine, and implement the recommendations of the process improvement initiative within Region 10. Resource Team: Kent Nicholson (Leader), Clarence Clark, Bryce Dahlstrom, Mike Kamprnich, Kyle Moselle, Bill Thomason*

From Discussion: This is not a Gate 1 and 6 process. This is about structure, process, delivery and metrics of timber sales. Some short term successes are possible here. How do we get a short term sale of “x” size to “x” operator or buyer that needs it now? Need alignment, need access for all size of operators.

There are co-innovation opportunities here. Access is a key part of the process. What wood flow and investment is needed and where will this be located? Also need to identify where - the geographic areas of focus.

General discussion notes:

1. In order for the Forest Products CWG to be successful in its efforts to define the future young and old growth timber supply base and volume, there must be on-the-ground checking and verification of timber inventory. Funding and commitment for this field work is needed.
2. Complete Forest Products Action Initiatives 1-6 in a comprehensive manner that includes the timber base of all landowners in Southeast Alaska (federal, all state, and Native Regional and Village Corporation). To do this, landowners must share information and align their metrics for defining, measuring, and mapping the timber base. A neutral entity is needed to be the repository of this information.
2. An obstacle to better connecting suppliers and buyers and to better innovation is the lack of communication between all size timber harvesters/wood users (not just large) and the USFS. Communication is needed at all levels: with the region, the forest, and the district.
3. Delivery of information about progress, work and outcomes of Forest Products CWG initiatives must be incremental and ongoing. Don't want a big report with a big bang at end; to be successful the emphasis must be on ongoing and iterative dialogue, and, parties must commit to staying involved--even when we sometimes agree to disagree.
4. The CWG should interface with the Governor's Timber Jobs Task Force. The issues are the same now as they were 15 years ago when an earlier Governor's timber task force was in existence. We should stay away from the process and the jargon. There also needs to be communication and cooperation between operators and other members of the cluster.
5. There was a brief discussion about a meeting with the Biomass subgroup. It was determined that identifying the supply of biomass belongs with the Forest Products CWG. Identifying uses for that biomass is the purview of the Renewable Energy CWG.

Next Steps

1. Recognize that at the national level we are dealing with questions like, "Why are we spending any money for timber harvest in Alaska?"
2. We all know too much about what we are trying to do. A problem in the past has been to go for the "killer" or "ultimate" process and outcome and it has not worked repeatedly. This time we instead must break it down into the smallest components to move forward.
3. Southeast Conference hopes to hire a full time timber person.
4. Government has stepped into the minerals business. Could they do the same thing for timber?
5. Second growth timber is now profitable in the Tongass, but USFS is not reporting that.
6. A construction boom in the region is coming with the Roads to Resources program, possible gas line, etc. Forest products could soon be shipped north for building.

7. There are few mills in the world that remain sized to cut old growth timber. We still have this capacity, and it is an advantage of our region.
8. In addition to inventory, look at business models.
9. The logging workforce is aging and most have left the state. Transportation options are more limited now. These may need to be built up.
10. Think about the region's competition. Canada? How about a west to east business strategy – join with Canada to enlarge the timber base that we market to Asia. Together we would be stronger than competing for the same Asian and mid-east markets. Consider doing a Pacific Northwest timber inventory with Alaska, British Columbia, Washington, and Oregon.

Participants (Not comprehensive - all attendees did not sign in)

Allen Brackley	USDA Forest Service
Barb Sheinberg	Sheinberg and Associates
Bill Thomason	Woodcuts
Bob Loescher	ATDG, LLC
Bob Vermillion	USDA Forest Service
Brian Kleinhenz	Sealaska
Carol McKenzie	USDA Forest Service
Carolyn Thomason	Woodcuts
Dan Parrent	USDA Forest Service
Dave Harris	USDA Forest Service
Elaine Price	City of Coffman Cove
Evan Hjerpe	The Wilderness Society
Karen Hardigg	USDA Forest Service/The Nature Conservancy
Keith Rush	The Nature Conservancy
Kent Nicholson	USDA Forest Service
Linda Snow	Juneau Economic Development Council
Merrill Sanford	Southeast Conference
Michael Kampnich	The Nature Conservancy
Norman Cohen	The Nature Conservancy
Paul Hennon	USDA Forest Service
Ruth Monahan	USDA Forest Service