

**Forest Products Modernization Eastern Partner Feedback Session  
October 12, 2018 from 9:00 a.m. to 12:00 p.m. ET**

**Transcript**

Well, good morning, everybody.

This is Ben Irely with the National Forest Foundation.

Thank you for joining us for today's Forest Products Modernization Eastern Partner Feedback Session for Regions 8 and 9.

Again, my name is Ben Irely with the National Forest Foundation.

Allen Rowley is not able to join us today, so Dave Wilson will be taking his place on a number of talking points.

A few logistics items for using this national Forest Foundation Adobe Connect web chat room.

Everybody, as they enter the room, is on mute automatically.

To join the conversation, you will need to hit star-pound to unmute your phone.

That's star-pound to unmute your phone.

Later on, when we get into the question-and-discussion portions of today's agenda, if you want to join us over the phone line, in conversation, up on the top toolbar you will see a button of a person with his hand raised.

Just click on that, and that will raise your hand.

I'll see you there, and it will enter you into a queue, and then I'll just work down through that queue.

If you have questions or feedback items you want to get into the chat box, I can track also track those there.

And if you haven't already done so, please take a moment to introduce yourself there in the chat box.

Let us know who you are, where you're calling in from, and who you are affiliated with.

And as a reminder for those on-site locations joining us today in Duluth, Minnesota, Gladstone, Michigan, Ironwood, Michigan, Atlanta, Georgia and Russellville, Arkansas, if you all could collect the sign-in sheet at some point today and enter the folks joining you there in your rooms into the chat box -- thank you, Duluth -- that would be helpful, as well.

As a reminder, this session is being recorded.

We will send out a follow-up e-mail with the notes from this session, a copy of the PowerPoint from the session, a link to the recording, and a transcript from today's session.

So look for that in your inboxes in the coming weeks.

A couple other quick logistics items for using Adobe Connect here.

You can adjust the size of the font.

This might be especially helpful for those of you in Gladstone, Duluth, Ironwood, and Russellville and Atlanta -- some of those onsite locations so folks can see up in the upper-right corner.

In each of the pods that you're viewing, there's a little pod options menu, and in there, you can adjust the text size.

When we get into the question-and-discussion portion later on, I will expand the chat box so it's a little bit easier to see for everyone.

I just want to run through the agenda for today's Partner Feedback Session.

We are going to have some opening remarks from Dave Wilson here momentarily, and then we'll move into the meat of the presentation.

We'll get presentations from Dave Wilson and Dave Cawrse on Forest Products Modernization overview and the national perspective.

Then we'll take just a brief 10-minute question-and-answer period to just get the clarifying questions answered regarding the presentation.

Then we'll take a 10-minute break and stretch our legs and then come back, an 1:40 after start time and get into the feedback and discussion section, which will last about an hour.

I have a series of questions to ask of you all about what you will have heard here today, and then we'll move into some leadership closeouts from Dave Wilson before I close things out with some last-minute reminders, and that will be three hours after start time.

And then there will be an optional session for further dialogue, more local dialogue, a chance to turn off Adobe Connect, turn off the computers and sit around and chat there in the local offices.

If you would like to join that optional session, remotely, there is a phone number and some passcodes, and I will type that into the chat box here shortly, and at the end of today's presentation, today's feedback session, I will pull up the phone numbers on the screen, as well.

So now I just want to take a couple of minutes for everybody to go back onto mute and on those on-site locations in Gladstone, Russellville, Ironwood, Atlanta, and Duluth, if you if you wouldn't mind just taking a couple minutes to go over just any sort of logistics there for your room, including handouts, refreshments, restrooms, and other important housekeeping items.

And then we'll check back here in three minutes.

Please check in with me, facilitators, in the chat box and let me know you are ready to go in about three minutes.

>> Okay.

Welcome back, everybody.

Dave Wilson, why don't you go ahead and unmute your phone and get started with your welcome and opening remarks?

Thanks for doing this, Dave.

>> Okay.

Thanks, Ben.

Good morning, everyone.

Can you hear me okay?

>> You sound great, Dave.

>> Okay, thanks.

Well, good morning, everyone.

My name is Dave Wilson.

I am the acting Assistant Director for Forest Products in the Forest Management, Range Management, Veg Ecology, Director here at the Washington office.

This is the third regional feedback session that we've had this week.

We've had some good discussions the past couple days as we talked to folks on the West Coast and in the Rocky Mountain regions.

And so it's great to come back to the East Coast here and be able to present what we are doing and get your feedback on where you think we are and where we're going.

To begin with, I'll start by saying the Forest Service is committed to improving the condition of forest and grasslands, being good neighbors, and creating jobs and economic benefits for all Americans.

Part of this commitment is to review and refine our Forest Products delivery process.

This will ensure we meet our obligations for carrying the through responsible science-based environmental stewardship.

So, when we talk about Forest Products Modernization, we are not necessarily talking about creating new products out there.

We are talking about the delivery of forest products from the National Forest Lands, and so that's what we are going to do today is dig into what we have been doing to improve our processes.

The objectives of today's session -- create awareness.

We want to make everyone that is on the phone aware, if you haven't been aware before, of what we are doing and our efforts to modernize the way we do our business practices around forest products.

We want to collect feedback on preliminary solution ideas and actions underway.

Your feedback is important to us to make sure that we are doing what we need to do to work with our customers, work with our partners, and do business as a whole.

Gather ideas on how to streamline our business practices for delivering forest products.

We've worked a lot internally and had some engagements with external partners over the last year or so, but we are still gathering ideas.

We're not just stopping with what we have been able to determine and work with those.

We're still wanting to get more ideas and keep learning and improving as we go.

It's surprising how many new ideas popped up in the last couple sessions.

So feel free to interject any ideas you have along the way today.

We want to strengthen our existing and develop new relationships with our partners and our customers.

We want to show that we are working to communicate where we're planning on going and how we plan to get there.

So, today, what we want to do is share why changes are important and support an honest dialogue.

If there's questions, we'll have a dialogue over them and try to resolve them.

If we can't, we'll take them back and work on them afterwards.

Discuss perceived barriers and solutions.

If you see barriers in the way we do business, we want to make sure that we identify those so we can address them.

Identify opportunities for continued engagement.

We're not stopping with these presentations.

We have a lot of plans for future feedback on where we're going and how we're going to get there.

So we're looking for ways to keep the engagement going with all our partners.

And then we'll discuss how your feedback will be used.

At the end of the presentation, we'll talk a little bit about that.

So, what we hope to come away with from the session is a better understanding of specific actions to take to increase the pace and scale of restoration through an improved system for forest products delivery.

We know that we're going to be increasing our pace and scale of forest restoration activities.

We have to.

We'll talk about that in a bit, but we need to have a better understanding amongst all of us as to what our actions are going to be.

A better understanding of improved communication methods and continued partner engagement while we share ideas of how we want to share the results of our modernization efforts as we go forward and ways to keep you all engaged.

So we'll dig into the presentations here.

I'm going to start with just an overview of the modernization.

Dave Cawrse, who's part of the Washington Office, detached staff from Fort Collins will follow up with some of the change efforts that have gone on over the last year.

So, when we think about where we're going with the modernization, we first start with looking at "What are the strategic goals of the Department of Agriculture?" Looking at their six goals that they have, two of them fit pretty well with what we're trying to do here with our modernization.

Programs delivered efficiently with a focus on customer service.

We want to make sure that our partners and our customers get the best service possible in the most transparent and efficient manner.

Goal #6 is to look at ensuring productive and sustainable use of our National Forest System lands.

We want to make sure that we sustain our forest lands and be able to keep them as productive as possible.

We do that through a lot of our restoration activities which yield forest products.

Contribute to the economic health of rural communities.

We understand that we are an integral part of rural communities, and the forest products economy.

We want to ensure that lands and watersheds are sustainable, healthy, and productive, and we want to mitigate fire risk.

Here at Asheville, the department goals -- we have Forest Service Priorities.

There are five of them, and we feel that we fit into three of the five.

We could probably fit all five if we worked at it, but we're looking to uplift and empowered employees.

As you'll see in the presentation here, we've done a lot of work with reaching out to our employees to get ideas on how to identify the bottlenecks and inefficiencies we have and come up with ideas on how we can improve the process.

So we've continue to have dialogue with employees.

We're going to have a couple of feedback sessions much like this with them over the next few weeks, and then keep them engaged is much as possible.

Be good neighbors and excel at customer service.

Improve the condition of our forest and grasslands.

That's the priority of what we're trying to do.

We're just working at making sure we can do it in efficient manners.

Within the Forest Service, we have six change efforts going on right now.

You've heard of a couple of them, probably.

Maybe not all of them.

The Environmental Analysis Decision Making process.

This is where we set up our projects and do the decision-making as to the analysis of decision-making.

We're going to talk a little bit about that in a bit and how our effort and their effort parallel in some ways.

Forest Products Modernization, which is what we're talking about.

The Oil and Gas Leasing modernization, ways of improving the permitting for that.

Land Exchange, Special Uses Modernization, and Efficient Infrastructure Delivery are some of the other efforts going on.

When you look at them all tiered together, this is how you see how the three overlap each other.

The seven strategic goals, the five agency priorities, and then our six change efforts to meet those priorities.

I mentioned a little bit about EADM, Environmental Analysis Decision Making, and just to give a brief synopsis of their goals -- To increase the efficiency of Environmental Analysis Decision Making procedures to accomplish more work on the ground.

Six components of their goal is to train our employees, examine reforming forest service policies, improving efficiency through technology, developing new performance standards, improving consultation with other agencies, and changing the way we do business.

You'll see how a lot of those match up with what we're doing with our Forest Products Modernization.

So, what is our goal?

Our goal is to develop a strategic effort -- It is a strategic effort designed to better align our culture, policies, and procedures within the current and future forest restoration needs in order to increase the pace and scale of restoration, improve forest conditions, and improve efficiency of forest product delivery.

We're not looking at just certain aspects of the Forest Products Delivery System.

We're looking at everything -- the culture, the policies and procedures, trying to identify things that we need to better so that we can do our job more efficiently.

Going back to the goals of modernization, again, we're looking to align our practices, policies, and guidance to be more agile, flexible, and adaptable to better meet current and future forest improvement goals.

This is important to us because we want to make sure that if we put policies and guidance in place, that we make it so it is not so restrictive that we can't adapt as new goals and management improvements come along.

So we're looking at ways to make that so it's flexible enough that we can adapt to whatever the need is at the time.

We're looking to improve forest conditions, meet forest restoration needs, create sustainable landscapes, and increase the amount of forest products coming from National Forest System lands.

Why change now?

There are a lot of changing forest conditions happening out there.

We are looking at about 80 million acres of forest and grasslands that need some sort of restoration out there.

Our current rate of restoration is just over 5 million acres per year.

That's all types of restoration that goes on out there, and so we have a long ways to go, and we know that we need to start increasing that pace to work on those 80 million acres.

And what we're trying to do is figure out whether what in our current processes are may be slowing us down.

What can we make different so we can go as quickly and efficiently as possible?

Another reason for changing now.

Our workforce is at its lowest capacity in years.

Right now, our forest products delivery workforce is nearly 40% larger in 1980 than it was in 2016.

Not saying we need to be that size again, through technology and such, maybe it doesn't need to be that big, but you can see how things have changed over time where we have a much smaller work force trying to accomplish a lot of activities.

How will we achieve our goal?

This effort is relying on ideas and support from our employees in the field and also our partners.

We are not trying to do this from the regional or Washington office level.

We are trying to bring in as much support from all employees and all partners to come up with ideas on how to better our business practices.

We want to learn what is working well in the forest products delivery and share what is working nationally.

What we find is there is a lot of good ideas being implemented at the local level, the district or maybe the forest level, that aren't being shared across the agency.

What we're trying to do is when one has been working well, share that with others.

Build a mechanism we can have peer-to-peer or ways of broadcasting out ideas that people have tried and found that have worked.

We want to strengthen existing and develop new relationships.

This is with our partners, our customers.

We need those relationships.

If we're going to do our restoration activities, we need to have everyone helping us along the way.

We're identifying short-term, midterm, and long-term actions.

We've not just identified things, putting together a report saying, "We're going to do this down the road." We're jumping in, and things we can do in the short term, we've started.

We've put out, and you'll see this in the presentation.

We've put out directives from the Chief saying we're changing this business practice or that one.

So, we are actually moving forward on things.

Midterm actions are gradually being brought online as they have been tested and prepared for distribution, so they're coming.

Longer-term actions -- There are some things are going to take some time, and what we're doing is building strategies as to how to keep those actions moving along.

The idea there is we're not just waiting, we're jumping in and doing things as we can move forward on them.

Some of the things we're doing, we're updating training of our employees.

We'll talk more about this after a bit, but we're looking at ways of building academies or Task Books that will keep people focused on going through their training regimen so they can become qualified at something.

We know we have a serious deficit in the number of certified contracting officers.

So we're looking at ways to move people along in their training so they can move up the ladder into those positions.

Examining and reforming our policies.

Every time we try something and we look at our policies and we see something that is causing a bottleneck, we'll go back and reform those so we can start making it easier and better out in the field to implement things.

We are improving efficiencies through better use of technology.

Again, we'll talk more down the road today, but we're using a lot more digital equipment.

We're looking at ways of implementing different tools as they come on.

Changing project management and delivery processes.

We're looking at how we can make the integration of the EADM and the Forest Products Planning to be more integrated and streamlined so we're not duplicating efforts out there.

We are looking at ways to better what we call the Gate System.

We're looking at ways of changing those.

We're changing the way we do business to get more work done on the ground, the basics of how we do things out in the field.

We are exploring opportunities for change in all aspects.

We're not just looking at presale.

We're not looking at just sale administration.

We're looking at all aspects from pre-planning of projects all the way through the closure of sales and the restoration that follows.

A little bit about the team.

The team is quite large.

If you look at this diagram, the top-half is primarily the core team.

This team meets regularly, weekly if not more frequent than that.

It is mostly Washington office folks and staff that work on identifying where we're going to go forward with the modernization.

We report to the executive team made up of the acting Deputy Chief Chris French, Greg Smith, who's leading all the change efforts.

Allen Rowley who's now acting as Associate Deputy Chief and John Crockett who is the acting Director.

Off the core team, we have a guiding team.

This is made up of regional leaders that enforce management that assists the core team in deciding where we're going to go with the program, with the effort so we can all know where we're going down the road with the program.

We meet monthly with that team, and there is a lot of interaction going on there.

The implementation team, which is led by Dave Cawrse -- this is a team we're put together where as we've identified issues that needed to be addressed, we found we needed to have people address them.

So what we've done is we've developed this team of detailers that come, that work on one or two specific issues during their detail, and we then take the results and get it out to the field.

So it's been quite a busy team over the last year because quite a few folks are in on that.

One of the important teams that we've talked a little bit about -- the employee dialogue.

Well, we had solution teams put together to look at some of the top issues.

And Dave will talk a little bit more about this but what they did is get together and present ideas back to us as ways to solve some of the issues we have identified.

We can't do all of this ourselves so we have reached out across the deputy areas to look at the different directors within the Washington office to assist on expertise.

They're looking at marketing and so forth.

There are a lot of cross-deputy areas.

As we identify issues we need technical help on, we reach through them and their staff which are the extended teams to address the issues and go forward.

So there's a lot of moving parts on this.

It keeps us quite busy, and it shows how big the effort is.

The timeline, we started this back in April of 2017.

The group got together with the Deputy Chief and they talked about creating and looking at the ways we do our deliveries and what can we do to improve to be the best at delivering forest products from our forests?

So, Phase One, we looked at identifying potential and designed some short-term actions that we could take to make some immediate changes out in the field.

Phase Two started looking at the more midterm and long-term, the more challenging issues that we've had, and when coming up with ways to solve those and, again, get them implemented.

We began having internal and external engagements along the way.

Meeting with some of our partners and our employees to try to come up with identifying these bottlenecks or issues that were causing roadblocks and be able to come up with some solutions.

One of the things we have done is we have been working on a map of our whole business process.

To make sure that we address every business processing point along the way, we've mapped them out.

We're in the process of mapping them out, so we make sure we look at every possible process point.

Where we're at now is we're looking at moving into the comprehensive strategy for our long-term actions.

These are the ones that are going to take a lot of time, they're going to be more challenging, like I mentioned.

We're going to start building the strategy, sharing with you, our partners, and make sure that everybody knows where we're going and still feed ideas back as to where we go.

Phase Four is when we're going to roll out the final strategy, and this is not going to be a one-shot, we do this report, roll it out, and then stop.

This is going to be a continuous effort that will go on into the future.

We are not just going to rest on the few changes we've made.

We'll always be looking back and seeing what we can do better along the way.

Then some progress to-date.

We've delivered new and updated and expanded our training courses.

Launched the Sale Administration Academy, as I was mentioning.

We've identified that we have a severe shortage of contracting officers.

So we've launched the Sale Administration Academy, which is a way to organize and structure the training that is needed to go from a new hire that wants to be in sale administration how to go through all the steps all the way up to becoming a certified contracting officer.

We felt that having this organized and put into Task Books was a way to keep people focused on the goal of making it to that level.

And we have come up with ways that we're providing more access to training to the employees as they go through it.

We're looking at host floors that people can go to for a short period of time to get mentored and trained and tested or whatever on different tasks within their Task Book.

So we're supporting that from the Washington office.

We hope that will help move a lot of people through the system and get them up to the point where we can fill the ranks again.

Purchase new and distribute new equipment.

Develop new applications.

Tablets, data recorders, GPS, whatever the technology is that is coming along, we're making sure the field has the equipment they need to go forward and develop new applications and get them out.

We don't want them just to become doorstops.

We want them to actually be used and be used as much as possible.

We have implemented some interim directions through a letter from the Chief back in February 2018.

We're working on a second one.

This is where we have rolled up a bunch of short-term actions.

We knew that if we implemented these, they would help things out in the field.

So we've done that, and we're about to roll out a second letter.

We are using barcode readers, tracking logs.

Initiating virtual boundaries.

We're doing some pilot studies on that to make sure we have the process down, where we can do digital boundaries versus the painting and so forth.

Initiate market-based appraisals.

We're testing that out and trying to simplify the appraisal tools that we use so that we can quickly do appraisals and so forth.

Initiating the handbook and manual updates.

As we get the interim direction out, we're going back and looking at the handbooks and getting them updated.

We have an aggressive plan in place here to roll out handbook changes over the next few months here.

Innovations underway.

We developed ways to communicate our ideas across the agency and beyond.

We have developed one-page summaries of innovative ideas that may not have been shared in the past.

"Here's a way that we can do things." This one is talking about deck scaling again.

Some ideas that came up.

It was a good process, and we're sharing that across the country.

May be other places could pick it up and use it, as well.

Several are available on our public website.

We have 15 drafted.

We have more planned.

A lot of our effort right now is on communications, trying to get the word out on these things.

We're doing demo projects and learning journeys -- things we would like to try out but we're not sure if they'll work.

We are looking at any idea that comes along and trying to see if it will work or not.

If we're not sure, we'll try it, and if it doesn't work, well, we've learned something from it, and maybe something can build off of that.

So not every idea is being tried, but we're looking at it as much as possible.

Working on better ways to share and spread these ideas.

We're hoping that when it comes to the point where a district forester doesn't feel like they are in a vacuum on what they're doing out there, that they can reach out and look for ideas that are going on across the agency.

Next steps -- We're really in the middle of step one, which is gathering the feedback from our employees and our partners.

Like I mentioned, we're going to have more feedback sessions and continue to keep gathering that feedback.

And we're going to do this into the future, as well.

We're not just going to stop after these.

We'll find ways to do this into the future.

Continue implementing the actions that are already underway.

We don't want to just put the word out, "Hey, try this." We're going to keep working at trying to get folks to try some of these ideas that we've tested or somebody has tested and they've worked.

Let's get them implemented across the country.

We're immediately implementing other high-leverage priority actions, things that come along that weren't part of the plan but they are immediate and they have a high priority.

We're implementing those.

We're looking at working with HR on things.

We're looking at getting them involved in this process, them as in Human Resources or Acquisition or any of the other staff areas.

They're seeing that we're trying to make changes so they are learning to make changes so we can implement things as quickly as we can.

We are strategizing on best approaches for long-term actions.

How should we do this?

Should we do this in steps, or should we wait till the whole process is in place?

We're looking at how we're going to strategize those.

And now I'm going to turn it over to Dave Cawrse to talk about some of the key issues.

>> Hi, just doing an audio check.

Ben, can you hear me okay?

>> I can hear you great, Dave, and let just interject real quickly.

I just put up the phone numbers in the chat box for joining the discussion later today after we close down Adobe Connect.

For Regions 8 and 9, there's two different passcodes but the same phone number there.

I also wanted to just encourage folks that are joining us remotely to introduce yourselves in the chat box if you haven't already done so, and...

I think that's it for me.

Thanks, Dave.

Take it away.

>> Okay, and as a reminder, this is a partner feedback session.

I am going to cover the issues we're dealing with, some of the solutions we're looking at, but this is our chance to work externally with some of the folks and get your feedback if we're headed in the right direction or if we're missing anything.

So as I go through issues, you know, be taking notes, be ready to ask questions.

There's going to be three questions afterwards just to make sure we're on track and what's the one most important thing we need to be working on.

So, again, my name is Dave Cawrse.

I am normally the Biometrics group leader here in the Washington office.

It's called Forest Management Service Center, and I'm here in Fort Collins, Colorado.

The past year, however, I've been on detail for Forest Products Modernization, and I'm the Implementation Team Leader.

We're a small team.

I did notice Gary Church and Jerry are on the phone.

They're folks currently on the team, but we have been using detailers to try and implement some of these short-term actions.

So, with that, I'm going to go through the issues.

And a little bit on the background how we got to the 12 issues -- In March of 2017, we met in Washington, D.C. with then-Deputy Chief Leslie Weldon, and she stood up and said, "We need to modernize our approach and we want to be the best at delivering forest products."

And that was a big statement coming from our leadership.

So over the next few months, a guiding team and core team were assembled.

Dave Wilson covered that on the chart.

Our guiding team is composed of at least two people from each region, and it varies from regional foresters to timber directors to a forest supervisor and one district ranger.

And we met in June of 2017, and around the room, we put up our GATE system.

For those of you familiar with how we do a timber sale, Gate 1 is a timber feasibility analysis.

Gate 2 is our NEPA.

Gate 3 is our sale layout, and then you go through appraising and contract and award through Gate 6.

So what we did, we kind of asked ourselves where our pitch points, where can we streamline some of our business practices in delivery of forest products.

And then we consolidated that information, got it down to these dozen issues you see right here, and we did do a voting.

And so these are in order of importance, at least to our guiding team and so what I would ask you -- would you rank these similar?

We've already got some feedback that "No, issue #10, forest products utilization, that should be bumped up a little bit," but let me run through these really quick.

I'm going to talk a little bit more detail on another slide, so I'm going to do a sentence or two on each of these.

So, personnel, recruitment, staffing, and training.

You heard earlier, we have only 40% of the workforce we had back in 1980, yet our production this past year -- This past year, we sold 3.2 billion board foot.

The last time we did that was in 1997, but we did it with only 40% of the workforce.

Quite frankly, over 50% of our budget goes toward firefighting now, and we are a firefighting agency.

Yet production of wood products, extremely important.

We talk what restoration and being able to do that for the American taxpayer, production of wood products is extremely important.

It has one of the highest multiplication factors for jobs and income of any resource we do in the United States.

Along with that, is our training that goes with that staffing need.

We are a bimodal agency.

There's older folks like myself, and we're seeing a lot of retirement the last five years.

A little hiring was done through the 1990s when we had the downturn in timber.

So, more recently, there's been a large influx of new employees.

For example, this past week, I was at the Society of American Foresters.

We took 160 jobs there for recent grads and student interns, and we intend to fill those here shortly.

So gearing up and increasing our capacity is very important, and along with that is the training, and so I'll cover that in a little bit more.

Issue 2 is sale layout, including transportation logging systems.

There are better ways to do sales?

Do we have to use our tracer paint and mark every sale, or are there better ways to do that?

Issue 3, timber sale accounting, scaling, and accountability.

We're hearing that a lot of accounting is a result of various audits -- OIG audits back in the '90s -- but that was a time we were doing a lot of old growth, and the first time we'd entered some of our timber stands.

Do we need that same level of accountability?

Issue 4 is certification.

That refers to certification related to sales administration.

Civil culture, cruising -- Again, there's a lot of requirements on that, and some of our certification requirements, at least for the guiding team, felt that they were fairly cumbersome and time-consuming.

Can we streamline that?

And along with that, can we honor certifications that come from state that when a state has operated and we have an employee of that now works for us, can we honor that certification?

Number 5 is appraisals.

I'll cover that a little more in-depth, but there are stories where we would spend three days appraising timber, and we would know we would have to do an adjustment.

So we agree that there are better ways to do appraisals.

Issue 6 is contracts and permitting.

Some of our contracts, at least for stewardship, were interim in nature, had never been finalized.

The acronyms for that are IRSC -- the Integrated Resource Service Contract.

That was very complex.

We've had people say that they won't even bid on IRSCs.

IRTCs -- it's the timber portion of a stewardship contract, and we have a number of other different contracts.

Sometimes it could be the same provision but have a different number.

There are opportunities to streamline that.

Number 7 is project and program management.

Related on that, the program management -- are we strategically aligning ourselves with the best place to do investments in the landscape?

Dave mentioned 80 million acres that are in need of restoration.

Where are those acres?

Where should we be treating them in the landscape?

We are developing tools, and I'm looking at landscapes as to what acres are in the Wildland-Urban Interface or in a fire-regime condition class that is at a high risk?

Or maybe have an insect and disease rating or a terrestrial condition class rating that would be like, "Hey, this is the place where we need to be investing our treatments." And then along with that, project management skills on our districts.

A timber sale's very complicated when you go from start to finish on it.

Not only are you coordinating with all the operations aspects of a timber sale but you need to coordinate with the archaeology and wildlife for biological evaluations and so forth.

So bringing it all together, making sure you step through, get the seasons correct, there's an opportunity to have better project management skills.

Number 8 is permanent and trust funds.

That refers to many funds, and also salvage funds.

Are there better ways to manage those funds for use of them outside the sale area and make sure those funds are used in a timely manner.

Number 9 is information management.

Some of our information systems, such as TIM -- that's the Timber Information Manager -- and another application called FACTS -- the Forest Activity Tracking System.

We've heard from our folks that some of the reporting is redundant.

Some of these applications were written 18 years ago, and they are in need of modernization.

Number 10 is forest products utilization and markets.

That one was not highly ranked, but I can tell you from being on our third feedback session here, regional feedback session, that people are questioning why isn't that ranked higher?

Being able to utilize our forest products is key to being able to restore our National Forest System lands in a cost-efficient manner.

You know, I'm here in Fort Collins and the front-range fuel treatment runs 2000 hours an acre.

If we had a market available for some of these products, it may make it break even.

So that one, we recognize it as an important issue, and we need to look at it further.

Number 11 is silviculture.

I mentioned silviculture certification earlier.

What this one refers to -- concern from our guiding team on the complexity of silviculture prescriptions as we operate and use new authorities such as designation by prescription.

There's a need for having simple operationally feasible prescriptions.

There's a business as to writing the silviculture prescription, to make sure that we can move forward on it.

And then the last one -- reviews and audits.

That refers to every region.

There's a lot around audits that occur to make sure those audits are better configured as functional assistance rather than a one-way audit.

So those are the 12 issues that we are looking for.

As I go through these, I'd ask you to make some notes and we're looking for feedback for them.

So a little bit of what we did to go from issues to solutions, we wanted to reach out to our district folks and forest level folks.

For those who are familiar, we have the Washington office, we have our nine regional offices, and then we have a number of forest level and then, finally, district level.

And the way I view it, the district is where the rubber meets the road.

They're the ones putting up the timber sales and dealing with some of these ideas that we need to streamline.

So on those top six issues -- I'm going to go back a slide here.

These topics -- Recruitment staffing, sale layout, timber sales accounting, certification, appraisals, and contracting and permitting, we developed a solution team around those, and they were comprised of district forest and regional staff.

They focused on one of those areas, and they met virtually over a four-week period, two to three hours per week, and they started with an issue paper that gave them a background on that, and some of the preliminary ideas.

And as they met through, they developed ideas how to resolve that issue.

For example, the sale layout team would meet.

"Why don't we do more?"

Why aren't we doing virtual boundaries?" We need to have better use of technology, and they would step through it then to "We need to purchase more..." "Here are some better ways to use these and actually develop some of the ideas that they could bring forward to our national core team.

And this was professionally facilitated, and so the results of that were we had around 300 solution ideas generated from all the six teams.

Some of those ideas did overlap, and we had an e-mail box open where employees could send in suggestions.

There's actually about 1,000 ideas there, and then another 100 ideas from partners, too.

So after it was all said and done, we kind of distilled those down to 170 individual ideas, categories and ranked, that our implementation did.

We met there first week of June in Washington, D.C.

We attempted a scoring system on these that looked at how difficult that idea was to implement from a cost viewpoint.

So there's ease in implementation and difficulty in implementation.

Also, there's a timeliness.

Could it be done in short-term, in the next 120 days or so, or is it going to be longer-term of a year or more?

And then finally we looked at the scale of benefits.

Sometimes you do something that appears not to be small but it could be a fairly small idea, but because we're doing 3 billion board foot, it could have huge implications on it.

And a simple one I'm going to bring up is designation by prescription.

If we don't paint -- We know paint is about \$30 an acre just for the paint costs.

To apply the paint is \$50, \$60 an acre.

If we move the designation by prescription, there could be a huge savings in cost.

Dave Wilson mentioned that it is a farm-to-table effort.

We want to make sure that if there is an idea out there, that maybe it saves one point of your safe timber sale preparation, we don't want to be passing on cost, and D by P can do that.

We know that it's more difficult to administer those sales, and for purchasers, it could be more time-consuming to operate on the sales.

And yesterday, one of the purchasers that I met with in Region 2 said that D by P cost, over a 500-acre unit, it'll cost them \$250,000 more because of slower production.

Checking, getting out of the cab, checking for mistletoe, having to get out of the cab, of the harvester to swing a prism to make sure you're making your desired square feet of area.

So we are sensitive that there could be a cost savings in one area, but we want to be careful that it's not passed onto another area.

Another idea that got a perfect 10 was a Wi-Fi connectivity and Internet bandwidth.

Wi-Fi connectivity could be pretty cheap to add to an office.

It could be done pretty quickly, but it could have huge benefits as we move more to tablet technology and other areas that we need to come back to the office and have that Wi-Fi available.

We did issue tablets last year and we heard back that "Hey, I can't download the information for my tablet because we don't have Wi-Fi in our office," and unfortunately, 60% of our district offices don't have Wi-Fi.

Other areas may be got lower score would be, like, let's do certification every other year for cruisers.

That one as a quick solve to cost savings, but nationally would not provide that many benefits, but it's still an idea we may want to move forward with.

So, our workshop results -- I mentioned 170.

When we scored out of things, you saw that lower quadrant of ideas we killed.

Some of those just simply weren't scoring high enough, or there were some others that were regional in scope that we would pass on to the regional offices.

So that left us with a core of ideas that our director Allen Rowley in July developed our top 10 recommendations that Dave Wilson will cover here in a minute.

And so we'll share that list with you here in a little bit.

So I'm going to go back and talk a little bit about some of these key issues and some of the ideas, coming forward on them.

Personnel recruitment, staffing, and training -- I already mentioned a little bit on the recruitment.

The training I want to highlight a couple things.

I started my career back in 1980, and back then, we didn't have designation by prescription.

By the '90s, we were directed to do all tree measurement sales, mark the trees, and then do an accurate estimate, sell it, and then we don't worry about where goes.

Now, an efficiency is weight scaling, and a lot of the regions have moved to that.

With that, though, we need to have training that supports that.

So we did develop a course, designation by prescription, about a year and a half ago.

We just did our first round of classes.

So that's the example of the type of training that we're developing.

The other authority is good neighbor authority.

We're looking at a class in that, and how we can better use that authority.

Number 2 is sale layout.

I'm going to advance the slides here.

There we go.

Determine which sale layout policies and procedures can be altered or eliminated to increase efficient and effective timber sale layout and then streamline policies and procedures for logging systems and transportation analysis.

So, I've been talking about designation by prescription.

I also want to mention the last bullet there -- the new technologies in sale layout.

5 years ago, half our cruising was done with pencil and paper, and we recognize we were behind as an organization in using the best technology.

We did talk to industry 5 years ago and said, "Well, how do you do your cruising?"

And they got back to us and said, "We have been virtually -- digital, handheld data recorders for the past decade."

The only people that still do cruising with pencil and paper is mom-and-pop organizations.

That didn't sound like a fitting description of the U.S. Forest Service.

So we have made a concerted effort to go digital, and I will point out Regions 8 and 9, since some of you folks are on the call.

They have made huge strides in going digital for cruising.

It has allowed us to use better sampling designs such as 3P, and I know Gary Church is on the phone.

We have been very aggressive about purchasing the handheld data recorders that has been done both at the regional level and, recently, I think we've purchased over 60.

We're getting those to the field.

But it doesn't stop there.

There's other technologies.

I want to mention lasers.

That has been a lot more efficient for cruise, and there's also safety aspect of using lasers for determining tree height.

And then another technology is the tablet.

We did administer tablets for our timber sale administrators, and it will be possible next year to have a totally paintless and paperless timber sale where the timber sale administrator operates with a tablet, you have a geo-reference map on your tablet.

You know exactly where you are in the stand.

You can make sale administrator notes on the tablet do add-on volume calculations, get back to the office, load it up on Wi-Fi, provided you have Wi-Fi, and your boundaries could be a geo-fence or a discernible boundary where that's not painted, and your prescription that is used a D by P type sale where just the desired conditions are described.

The residual basiliary you want to have left behind, or maybe some crown canopy densities there.

So, we are getting there, and Dave Wilson mentioned it -- It's not a one-time thing.

You have a comprehensive strategy done next March.

We recognize we need to continue improving in these technologies.

Another example is unmanned aerial systems.

We're behind in the use of that.

Other agencies like USGS have been using it for a decade.

If you were at the convention last weekend walking around saw the forestry suppliers booth, they had a drone there for sale for \$800.

Some agencies view UAS as a game changer.

It allows us to quickly do stands that you may not have good access to.

The other use is use of remote sensing such as LiDAR that you can do with a drone, and I will mention we have contracted with University of Northern Arizona to look at doing volume estimates from LiDAR, and that's gone on.

That's called the 4FRI -- Four Forest Restoration Initiative there in Region 3.

You get structure from LiDAR, can you get volume estimates?

So we're looking into that.

So let's go on to timber sale accounting.

This includes timber sale, accounting, sale administration, scaling, and financial accountability.

We did hear concerns.

One simple example -- if a tree is inappropriately cut in a stand, what I'm told -- My background is not in sale administration, but that gets reported to law enforcement.

Do we need to treat this 7-inch Ponderosa Pine the same as old-growth log that may have been cut?

And are there contractual mechanisms used instead of reporting to law enforcement?

Along with that, we heard that there's monthly reconciliation reports that our district folks do.

Do we need to do those?

And sometimes they aren't correct and need to be changed anyway.

So there is a concern on that.

I will mention that there is the FPFS.

You see that at the bottom there.

New forest Products Financial Systems that was implemented in mid-August, and so we are modernizing that.

I don't know of all the benefit that will occur with the new FPFS, so we're going to track that and possibly develop a Task Book on that.

The other one -- Okay, I mentioned the new technology in sale administration.

That's the tablet that we're working with now.

The other one is a low-value material that we heard, and this one kind of crossed all the different teams -- how we appraise low value, how we do layouts, and how we account for it.

That's been a concern, too.

And we'll come up when we hit the directors' recommendations.

So, appraisals, we are required to appraise timber and other forest products at fair market value prior to offering them for sale.

In the past, we have used Transactional Evidence Appraisal System.

This system works very well when you have a high number of sales to do statistical estimates on what that value is.

However, it doesn't work so good when there are not many sales around to use as comparison.

So we're looking at a better market-based appraisal system.

There has been a general technical report done on that, but we're still looking at maybe if there are shorter methods, and I think I mentioned this.

There have been some examples where it's taken three days to do an appraisal, and so an appraisal team has been chartered.

Dave Wilson will cover that in a second.

They have met and are looking at a spreadsheet approach to do an appraisal that can be done a lot quicker.

And then finally contracting and permitting -- We want to examine our policies and procedures for timber sale contracting and then a better way to consider low-value market.

So, a couple things on that I'll mention.

The stewardship, as I said, has been an interim template, and we've heard a lot of concerns on that, so there's an opportunity to finalize that.

Quite frankly, that will be a long-term action.

We did try a blended contract a few years ago.

One of my peers said the skeletons of the effort reside in his desk drawer.

If we want to try that again, we need to work with our procurement folks on how to approach that.

The other things, there are some other short-terms action.

I had mentioned consistent numbering of our provisions, developing colored maps, and have them available on a tablet.

And yesterday, one of the purchasers said, "Well, when you send out a prospectus, can you e-mail that out and have a geo-reference map?"

We can pull it up on Google Earth and see exactly where that timber sale is." So there's definitely some opportunities to streamline that and even how we mail out our prospectuses.

Do we have to go to the newspaper?

Can't we do all that online now?

So there's a lot of ideas on the contracting and the permitting.

The other issue we heard from our solution teams is selling small month of timber west of the 100th Meridian that we need to have better tools to do that.

Part of that is due to the export law requirements, so we'll have to work carefully on doing that.

So that takes me to director recommendations.

Dave Wilson will talk about those.

Thank you.

>> Thanks, Dave.

Thanks for sharing all the different steps we've gone through of things we've been working on for the last year and a half here.

As Dave was mentioning, there were a lot of ideas that came in, and they got sorted and sifted and meld together.

We ended up with 170 of them that were prioritized.

We ranked them and presented them to Allen, our Director at the time, as to what the field was saying or what the group, the team as a whole, was saying as to what our issues are where we wanted to go.

Allen took all of that under advice and he came back the next day and said, "These are my recommendations on where we go forward.

This is what I wanted you to focus on first.

Don't just focus on these but these, but these should be our highest priorities." So I'm just going to go through and tell what his marching orders were to us and maybe a little but more on where we're going with it.

Training.

Continue it.

Training on new tools, training on new authorities.

Categoric conclusions.

Better training on GNA.

The stewardship tracking.

Whatever the training is, we need to make sure we keep it current and contemporary with what the needs are out in the field.

As we change our policies, we'll need to make sure we provide plenty of training and understanding of what authorities we are now giving to the field to implement.

As need tools come on, we want to make sure that we have the support behind them.

We don't want data recorders -- Back in my career, when a data recorder were sent out, it became a doorstop.

We're not looking for that.

We're looking for ways to get the tools out.

They're expensive, but they are also very efficient.

And so we need to make sure -- we provide the support needed to make those little gains.

We're looking at developing a sale administration position description and standardizing things nationally.

And when I say "standardized," we're not looking at one position description to fit the whole country, but we're looking at ways to make sure they're standardized, they're tied back to the academy or the Task Books.

As people move up through the career ladders and positions, they're meeting the qualifications for that level.

Improving strategies for recruitment and retention of employees to meet the staffing demands.

If we have new ways of recruiting folks we're looking at larger recruiting activities much like we just did at the FAFS.

The more we can deal with it in blocks, that may help bring more people on board.

Retention of employees is imperative, too.

We don't want folks to get frustrated and leave.

We want to make sure they have ways that they see a career path through the agency, through their careers, and hopefully be able to retain as many people as possible.

Giving them clear guidance, clear mentoring, or whatever for progressing through their goals in life may help retain more of them.

The fourth one is continued staff work on certifications.

Determining return on investment to see if changes are needed.

We're looking at to see -- We're talking about the cruising certifications.

Do we have a clear path for the certification process?

Do we need to recertify people annually or biannually, or is there some better mechanism of keeping people certified?

The fourth one is reforming the Timber Information Management system.

Put together a team and form this team and develop business requirements needed to modernize it.

The system is 18 years old, and things have changed over time.

So we need to make sure that as we modernize TIM, we have the right business requirements in place to keep current and ways to adapt as new processes and policies come along.

And keep looking through that the lifecycle of TIM and keeping it modernized.

Continue application of new technologies and the infrastructure support needed.

Again, this goes back to the digital equipment, new types of technology like drones, as they come on board -- things that we don't even know about yet.

What do we need to have in place?

What kind of infrastructure should we have to support those technologies?

It's not going to do us any good have them and not know how to use them or use them efficiently.

The seventh one on the list was to form a national team to streamline and simplify the contracting process.

We understand there are people that won't even bid on forest service timber because the contracts are so complicated.

What is it in that process?

What should we be doing to better work with our customers on getting good products out to the bidders so that they can bid on it and succeed at doing their job?

Engaging the appraisals team and developing simple process for testing.

You are seeing the word "Simplify" here.

We don't want to make things too simple.

What we're trying to do is make sure it does what it needs to do but it's not any more complicated than it has to be.

Appraisals are a good example.

Places in the country where the urban legend is it takes 3 days to do an appraisal on a timber sale contract.

Does it need to be that complicated?

Is there a way we can do things easier?

We put a team together.

We've looked at short-term and long-term needs within that appraisal process.

One of the simplest things is providing more guidance as to what types of appraisals are appropriate and pick the easiest one that meets the needs of what you're trying to do.

Is a comparison appraisal a standard rate appraisal?

That type of thing.

So this team is working hard.

We've got a short timeframe here to try and come up with some ideas going forward.

Some things may take longer, but we'll at least have them documented and be part of our strategy forward.

As FTFS comes out, the new financial system for timber sales, we want to utilize it to its fullest potential.

We're looking at making sure that we have guide books in place to assist the field as they work with this new system.

We are looking at Task Books or resource assistance so they can go through a systematic training to understand the full breadth and depth of the system and being able to understand what they are doing and do it more efficiently.

So we're looking at just making sure that we're supporting this system as it's rolled out.

The last one -- The last one really goes across all the other recommendations, and touches on each one of those and many, many more.

It's defining low value.

We need to wrap our heads around what are we talking about when we talk about low value and develop a process to identify, manage, and dispose of these low value materials in conjunction with land management objectives.

So what we're talking about -- appraisals or contracts.

Do have the appropriate tools in place to work with these low-value type projects that the effort goes with the value and needs for those.

So we have a team put together that is working on that.

They are working hard at putting together a definition, and this one will involve a lot of engagement down the road because there is a lot of discussion around what we're doing in this area.

So that is going to be challenging, but we're looking forward to doing that.

Okay, that's the end of the formal presentation.

Now we have some time to open up for questions.

Then I'll turn it back to you, and take it from there.

>> Great.

Thank you, Dave.

Okay, yeah, as Dave said, we've got about 10 minutes here for questions before we take a break, and let's try and focus mainly on clarifying questions on the presentation.

After the break, we will reconvene and have about an hour to go through some feedback questions and get into a little bit more detail.

If you've got a question out there, feel free to enter it in the chat box, and I will articulate that to Dave Wilson and Dave Cawrse.

If you're joining us on location in Gladstone, Ironwood, Russellville, Duluth, or Atlanta, you can enter your question into the chat box, or a question that comes out of the room into the chat box.

Alternatively, whether you're joining us virtually or in-person at one of those locations, you can raise your hand using that hand-raise function on the top toolbar and that will queue you up, and we'll call on you individually.

So, anybody got any questions out there?

Any questions coming through?

I'll just mention, as well -- I forgot to mention earlier, but in the lower right corner of your screen, you'll see a "Files" pod.

Those are the recent materials for today's call.

You can download them there if you're joining us virtually.

They are also on the National Forest foundation Forest Products Modernization website, Web page, and I will put that into the chat box here shortly as we see if any questions come in.

If you have a question, feel free to enter it in the chat box or raise your hand and I will call on you.

Okay, I'm not seeing any questions coming in yet.

The on-site locations -- Duluth, Gladstone, Ironwood, or Russellville -- you can also just let me know in the chat box if you've got a question in the room that needs to be answered.

I'll just give it another minute or so, and then we'll move onto a break.

I see that Ironwood is typing in the chat box, so we will wait for this from Ironwood.

Just a quick reminder while we wait -- that this discussion is being recorded, and in the next week or so, we will send out a link to the recording, and a PDF of the PowerPoint that you see here, as well as the transcript notes.

Okay, great, I'm seeing a question come into the chat box from Ironwood.

Ironwood says, "Is there going to be a formal evaluation of markets around every individual national Forest?"

As the Forest Services goes forward with modernization, you need to better understand the market and who's purchasing from you.

Thanks, Ironwood, for that question.

Maybe we'll start with Dave Cawrse, but, Dave, before we do, Ironwood, if you wouldn't mind identifying who in the room provided you with that question, that would be helpful.

Just type that in the chat box.

Dave Cawrse, you want to address that?

Yeah, so, we did fund an effort to characterize the market around the agency, and we had the same question yesterday, and I'm going to go look it up and get back to you here in a few minutes to see exactly what going to be doing.

Dave Wilson, do you have any comments on that?

>> The only comment I have right now is that the issue around markets and market analysis has popped up all this week and even in the national call.

And it's something that we're really going to have to start focusing in on, bringing in the marketing and the economists from the agency and others to brainstorming as to where we should go with it.

I am getting to the point where I almost need to have a focal meeting just on marketing and where we go with it.

I know staying private's doing something.

That's where our cross-entity teams are playing into this.

It's issues like this that we don't necessarily have the expertise on staff.

We can reach out to them to help come up with ways to approach this.

So I would say stay tuned.

We're going to have to start looking really hard at this.

>> Yeah, and I'll just talk a little bit.

From our perspective, Dave and I, on the National Forest System's side, our area, we have sale layout, we appraise timber, and we sell timber.

And where it goes after that depends on purchasers and markets and how they do it.

But one idea I will mention is certification related to that National Forest and products coming off of it.

And some of you are familiar with SFI -- Sustained Forestry Initiative of FSC, the Forestry Stewardship Council, will offer certifications that if that product meets that kind of tracking from start to finish of that product, it can be an add-on value to that.

For example, IKEA furniture only purchases timber that is certified, say, SFI certified.

We have looked at that.

We haven't gone there yet.

I know since this is our R8/R9, the State of Wisconsin was extremely interest in it because lumbar or timber coming off the state and county lands is certified.

If they can have federal lands certified, that means anything produced out of Wisconsin they could market as being certified, and that would add on value and increase bids and be good for everybody.

The argument against that is that federal lands have 170 laws they're already operating under.

Do we need another layer of regulation that we pay for to do that?

So we have not gone there yet, but we're considering that.

I was just going to mention that as certification of products.

>> Great.

Thank you, gentlemen.

Another question coming in from the Duluth office from Brian.

Brian asked, "Why has it taken so long for the Forest Service to embrace or adopt technological advances that are implemented by states and counties for years?"

>> This is Dave Cawrse.

You know, it varies.

I think some parts of the agencies -- and I'll just talk about, I'm most familiar with cruising.

Half our cruising 5 years ago was pencil and paper, but half was with handheld data recorders and using the latest technology.

So when you have an organization of 30,000 people, to move forward on technology quickly, we're just not that nimble.

So we're talking about how can we encourage our folks?

It's almost a cultural thing to use the state of our technology.

You know, I came through the big timber years in the 1980s when did 12 billion board feet, and you got comfortable with "This is how we do it.

We know what works.

We survived lawsuits, or whatever, and that's the way we do business."

So to look at different ways of doing business, there are cultural aspects to that that encourage employees to take a risk, try a different way to do things.

>> Just to build on that.

>> Go ahead, David.

>> Yeah, just to build on that a little bit.

Dave talks about risk.

The question was asked the other day about employees taking new risks on things, trying new ideas.

Will we have their back on things?

And the answer is a qualified yes.

I mean, we can't try everything.

We have to stay within legal bounds and that type of stuff.

But we're trying to open up the avenues to let people express new ideas and be able to try them out and see if they work and we can share them.

So I think the culture now is changing, at least at this office, from the Deputy Chief, even the Chief on down, we're willing to try new things.

We can't just be stuck on our laurels from the past.

We need to keep up on things.

Right now, an example is drones.

We want to implement drones for forest management activities.

We're meeting some resistance.

Now the rest of the forest industry is using them, where we're having to struggle with getting the acceptance of us using that type of technology.

So we haven't completely dealt with that type of pushback, but we are working at it.

And I think the leadership is going to support people as we try things.

And that particular example is not -- Our employees do want to try it.

And yet it is our policies at a national level.

Fire and Aviation is very nervous about having drones around fires.

And so we've been slow to adopt that.

It is called the Aviation Business Case that would allow us to purchase drones.

That hasn't been completed.

In fact, it's on hold right now.

They'd rather have us work with a third-party vendor to do the flights.

But then it gets cumbersome to contract with somebody to do your flight.

Why can't you have that drone, you know, in your truck?

You get out, you want to check regeneration on the stand.

You fly the drone, you're less than 300 feet.

You meet FAA regulations.

You're a trained pilot.

We can't get there.

And there's even been a story that came in where silviculturists procured a drone.

They found out, "Hey, you got to return that." And so we have to give folks the ability to try these new ideas.

Both Dave and I in the Washington office, we want to give that freedom and framework for people to use those technologies.

>> Okay.

Great.

Well, we got another question coming in here from Russellville.

Thanks, Russellville, and I think we'll address this question and then we'll talk our 10-minute break and then reconvene and get into those discussion and feedback questions.

>> Out of the Russellville office, Doug Reed from West Fraser has some of the same concerns about how our base period crisis and market adjustments, how they are calculated, and is there a map showing the market where this data coming from?

>> I'm going to check if Carl Moss or Rich are the phone, if they could address that.

Yeah?

You have to push star-pound.

>> Dave, I am not seeing Carl on.

>> Rich is.

>> Okay.

>> Yeah, Rich, I see you on there.

You'll just have to hit star-pound on your phone, and then we'll test your audio real quick.

Just give us a shout when you get a chance.

>> Connecting.

>> Yeah, go ahead, Dave.

>> This is Dave Wilson.

>> That's one of the things we are looking at with this appraisal team is how to be more transparent with what goes into our appraisals, where the data comes from, and so forth Having maps -- I'm not sure if they're maps, but maybe that's something we need to look at.

So, again, you know, there's a little gem of an idea we may not have thought of and you can look into.

>> Okay, great.

Well, Rich, let's just give it one more try and see if we can get you on here.

Go ahead and say hello if you can.

I am not hearing anything from Rich right now, so let's go ahead and move into our 10 minutes break.

I've got 36 past the hour here.

So let's get back here at 46 after the hour, about 15 minutes before the hour.

Go ahead and take a break and stretch your legs.

Okay, let's go ahead and get started on this next portion of our agenda here.

So, I've got several feedback and discussion questions I'd like to get through here up on the screen.

Before I do so, I'd like to return to where we left the discussion before the break.

Jose Castro let us know that the Forest Service, as a point of clarification for the discussion earlier on market data, that the Forest Services use a standard market analysis from timber prices monthly index.

The Forest Service adjusts prices up or down based on a standard calculation.

This calculation is shared with our field units for contract pricing.

And Jose was wondering if that's the information we are looking for on there.

Dave Cawrse or Dave Wilson, let me know if there is something else.

And then, Jose continues, that they also take into consideration local-market issues on a case-by-case basis.

I see that Rich was able to raise his hand, so go ahead, Rich.

Unmute your phone and you can chime on in.

I'm not hearing anything there, Rich.

You can try again, maybe again.

Star.

Pound.

But mute and unmute your phone.

So if you hit it twice, you'll be -- Believe me, it is.

I'm sorry about that.

It's just kind of a technical thing we have to do at the beginning, make sure everybody's phone starts out muted.

So go ahead and just jump in whenever you can, Rich, and we'll take your response.

Moving on to this first...

>> Yeah, let's move on.

We can respond to that later.

>> Okay.

Moving on to this first feedback question.

So earlier, we saw some priorities that were shared.

And how did those priorities resonate with you partners out there during yesterday?

I'm going to flip back to that screen of top, I think it was 12 priorities, and you can raise your hand or just put a note in the chat box.

And let us know what you think about these priorities, if you would prioritize these differently.

Here we go.

Ask it.

>> This is Rich.

Can you hear me now?

>> We got you, Rich.

Thanks.

>> Okay.

I think the question had to do with the history of prices that region eight is using.

Is that correct?

>> Yeah.

You can look at the chat and see if we answered that question in the...

>> Okay, so those base tree prices are for saw tending.

I think they're talking more about pine than hardwood.

Those are coming from the past history of sales in the trade system.

It's evaluated, how did it average?

That's where those are coming from.

Now, the market adjustment is coming from random links.

And they look at the random links, and if there's more than a \$10 change, then they'll increase or make an adjustment to the -- make a new change to the market adjustments in there.

But that's the sources for our growth-to-base-period crisis and for the market adjustments in region eight for our southern pine.

>> Great.

Thank you, Rich.

Thanks for that.

And, anything else to add to that, Dave Cawrse or Dave Wilson?

>> Just to bring that back to what we're, you know, we're looking at, feedback from the partners out there.

Do you see appraisals of something we should really be focused on?

Do you think it's high enough on our priority list?

Or, do you think other things should be on there?

So that's what we're trying to do now, is give a sense of what you feel our priorities are, and do we address them today, and do you have any ideas to help us?

>> Great.

Thanks, Dave.

Yeah.

So we're looking right now at a slide of what the Eastern team is examining for Forest Products Modernization.

And you can see the top six priorities that they're looking at, is...personnel recruiting, staffing, and training is number one.

Sale layouts is two.

Timber sale accounting, scaling, and accountability is three.

Certification, four.

Five is appraisals.

Contracts and permitting, six.

Then the list goes on down, and I think both Dave Wilson and Dave Cawrse alluded to earlier, we've gotten feedback from earlier sessions that this forest products utilization market might need to be moved up, so...

Thanks for the feedback that we've gotten so far.

But what else do you think about these -- Any other comments you have on this list and how you prioritize?

>> Did we miss the target?

Or did we hit the target?

It looks like positive.

We hit the target.

>> I see something coming in from Steve there on the chat box, so we'll wait for that before we move on to the next question.

Okay, Steve says, "Selling timber should be priority number one.

Markets will determine the value.

Feed the market." Thanks for that feedback, Steve.

>> So what we're trying to do is, come up with methodologies, processes to put in place that we can get as much volume off there as quickly and efficiently as possible.

The idea is to, from the appraisal standpoint or, even larger, contracts and [inaudible].

But ways to keep no-bids from happening.

What can we do for reducing the number of no-bids?

That's a lot of effort we put out, both our side and the purchaser side, as to getting enough volume on the shelf or on the market, so...that's what we're looking at here, is ways to feed that market as much as we can.

>> Okay.

Moving on to question two here.

If you can do one thing to improve the Forest Services business practices on the delivery of Forest products, what would you do?

Again, just as a reminder, you can enter your feedback into the chat box and I will articulate that to everyone.

Or you can raise your hand using that hand-raise function up top, and that'll put you into the queue and I'll call on you and we can answer your question or provide [indistinct].

We'll give you some time to articulate your comments that way.

So, question two.

If you could do one thing to improve the Forest Service's business practices in the delivery of Forest products, what would you do?

>> I'd develop this -- I'll just tease the question a little bit.

My thing?

You know, use more GNA or stewardship contracting, or, should we look at the more scaled sales?

Are we doing weight scaling or something, of ideas of ways we could deliver products faster in the East here?

Some of the ideas we got from out west may not apply to the east, so...

Just trying to tease out some ideas here.

>> Right.

Thanks for that, Dave.

Okay, well, I will just go ahead and introduce this third question here, and if you have a comment that relates to any of the previous questions, don't hesitate to jump in, but the third question is, "What practice, process, or implementation tool from state or private operations would you recommend the Forest Service consider in order to achieve forest restoration objectives?"

We already had that comment earlier just asking the question about how the Forest Service adopts new technologies or the timeframe for that, but, you out there and partners working out in the field, what practices, processes, or implementation tools from state and private operations would you recommend the Forest Service consider in order to achieve forest restoration objectives?

Any question?

Or some feedback coming in from Duluth.

Thanks, Duluth.

Okay, coming in from Duluth, John suggests that the adoption of local consumer scaling systems would be a practice or a process or implementation tool they use that they would recommend the Forest Service consider in order to reach their forest restoration objective.

Thanks, John.

Any comments there from Dave Wilson or Dave Cawrse?

>> I'd like to expand on that a little bit.

What's an example of that -- this is Dave Cawrse -- in what we're looking at?

>> So, John says this would bring the National Forest in line with other public and private ownerships.

Duluth, would you mind just unmuting your phone?

>> Yeah.

>> And maybe you could expand on it that way.

>> Yes, this is Duluth.

John is here, and he can describe some of the consumer scaling policies utilized in the state of Minnesota.

>> So, in the state of Minnesota, our company has the consumer scale agreement that allows us to bring forest products across the scale, which is all of the pertinent information is captured on that load and then reported back to the agency on a weekly basis by weight.

>> Okay.

>> This is a good example of what we're trying to do from the national level.

If you look back at our handbooks and directives that we, in the past, have narrowed ourselves down to, looking at a predetermined sales.

And what we're doing here, from a policy standpoint, is in trying to loosen that up so that we can do more scaled sales and bring in some of these other ways, other methodologies of scaling so that the regions and the forests would have the authority to implement those types of processes, if you will.

Go ahead.

>> This is Carl Maass.

Can you hear me?

>> Yes.

>> I just wanted to point out that we are working diligently with Region 9 to establish some scaling protocols.

Now, the question I have is, what exactly you mean by "consumer scaling," and that's a term that shows up in our directives as something that we do not support, but we do support, of course, weighing services agreements with purchasers and other scaling locations to allow weight-scaling to occur.

So if somebody could explain the difference between our weighing services agreements and consumer scaling, I would be really happy to learn more about that.

>> John in Duluth, do you have any input there?

>> I'm sorry.

We were talking about a local scaling services agreement, Carl, while you were talking there.

>> Okay.

Well, we can talk it offline, but let's talk about what they want up there and see if we can't work something out.

>> I mean, John, step in, but what I was hearing from the discussion -- some of it -- is that the Forest Service process still has some nuance that, where the counties in the state and private industry seem to have gotten in a lot closer alignment in terms of their weight scaling and the ticket system that they're using and the separation of tickets in pairs and how the Forest Service requires that with a unique ticket system, I think, has been one of the questions why we just can't get in line with the other agencies and how they're utilizing their load-removal receipts and what's required at the scale shack.

>> We have some great opportunities up there in Region 9 because, in general, you don't have weight scaling established right now.

So I would say the slate is clean and we can develop a system that works up there.

>> Region 9, you do have a couple other projects on the horizon here, don't you, if they haven't started already?

>> Yeah, it's a little different than what we're talking about.

But one of the major issues that we've had in Region 9, of course, is separating all of the products and species that you have up there, and so that is a challenge for weight scaling the way we've traditionally done it, but it's certainly something that we should be continuing to have some conversations about.

>> Okay, great.

A good discussion there, folks.

I see a comment coming in from Andrew Arends in the chat box.

I think that's probably, "Minnesota DNR can facilitate the discussion between the mills and the Forest Service.

The DNR maintains the consumer scale system for the state." So, thanks for that, Andrew.

Any other feedback you want to give folks while we still got a chance here on the Adobe Connect room?

Other things that we've heard in previous sessions with some discussion about designation by prescription, kind of the pluses and minuses of that -- is there any kind of local nuances there that you guys want to share with us here today, to have some talk about virtual boundaries and, I guess, the benefits that come with adopting virtual boundaries?

Any other feedback you'd have for the Washington office and Regions 8 and 9, as far as how they're conducting business in Forest Products Modernization and how they would improve it for through the Forest Products Modernization process?

>> Do you think our focus on training -- we're on the right track?

Are there things with training that you see us needing to improve on?

>> Yeah, that's a good point, Dave, and I remember hearing at our first session, the national session, there was lots of talk about ride-alongs and getting Forest Service folks in the cabs to go out and see how work is done in state and private.

Okay, well, I'm not seeing anything else coming in here.

Dave Wilson, do you want to move on to -- Oh, there we go.

Hello there.

Go ahead.

Did I hear somebody chiming in there?

Okay.

Dave Wilson, I don't know if you want to go ahead and move into the leadership closeout.

>> Sure.

Well, first of all, thank you, everyone that's participated in this.

We've had some discussion on ideas and feedback on where we're going.

I'm sure there's a lot more, so thank you.

Thank you from myself and Dave Cawrse and Ben and others that put the session on.

I'm sure Allen and John both send their thanks or gratitudes for participating today.

We can't do this without your input, and we want to make sure that we continue down the road.

So, we've heard a few things today that were new to the discussion from this week, so it's not like we've heard it all this week and over the past few weeks.

So there's new perspectives, definitely, from the East and the Southeast, where we need to make sure your voices are being heard, as well, as we work across the country.

So, to let you know what we're doing, our next steps, this is the last of the regional feedback sessions.

October 24th and November 8th, we'll do the same process with our employees, having webinars almost exactly as we did here, but trying to get their feedback.

Are we going down the right path?

Are there things that we didn't hear or need to listen closer to?

In November, we'll analyze the feedback from these sessions and adjust the path going forward.

I can see one adjustment is probably looking more at marketing and product utilization and see where that takes us.

There needs to be a lot more discussion as we start putting more volume out in the market -- where should it be?

How should we go about doing it?

So, in November and December, we'll finish preparing our comprehensive strategy for long-term actions.

These are things that you won't see immediately in our process, but at least have a strategy in place that we're going to make sure we keep continuing forward on on these long-term actions.

I'm hoping the strategy will also look at how we keep reviewing, looking for short-term actions, as well -- things that we can adjust as we progress forward.

So, come December and into January, we're going to have a review period.

We'll get the strategy out and ask for comments back on probably be a webinar or so to do that, plus, written comments would be greatly appreciated.

In January to March, we'll finalize that strategy, make sure it's in place, that the Chief and the Deputy Chief know where we're planning on going with the modernization and our strategies to continue on.

I hope I've emphasized enough today that this is not a one-shot effort, that, once we get this document strategy in place, that we're going to stop -- we're not.

We hope this becomes part of our normal business operations, of reviewing what we do, how we do it, and what can we do better?

And it always has this continuous feedback as to what we should be doing to better our delivery of the Forest Products.

Then it looks like March, July, and October, we're anticipating having comment periods on the policy reforms that we put through.

As we take these ideas and turn them into policies, we'll share the directives that we put out to the field to make sure that everybody has a chance to comment on those and make sure we've covered what needs to be covered on that.

So there's a lot of activity coming up in 2019.

I see a lot of activity coming up from now until well into the future.

So that's where we're at on that.

How to stay engaged -- we want your engagement not to just stop today, but we always are welcoming any materials -- input on our materials and put on ideas that you have.

If you want an additional session on this to expand further on, to maybe narrow in on some regional modernization efforts, we can do that.

We're welcome to invitations to any presentation that you want.

Again, we're looking for policy-reform comment opportunities or have you look for these down the road.

We'll make sure that folks that are on this mailing list are kept up to date on any policy reforms that come out.

How you can stay informed on our progress -- there's our public-facing website, where we keep the communication documents that we have to show what we've been doing and what we're planning on doing.

We talked the other day about having a way for partners to propose ideas through this website and so forth.

So, a lot of communications down the road.

And as we fine-tune the way we deliver those communications, we'll make sure and touch on it.

Any short, immediate ideas that you have on recommendations on where to go, how to better this presentation, how to do anything with the modernization effort, feel free to send them to me at my e-mail address, which is on the screen there.

We'll be glad to take them, and I will direct them to the right person that can help address that issue.

So, feel free to keep in contact.

That's what we're trying to get at here.

Other contacts, if you want to go higher up the chain -- Chris French is the Acting Deputy Chief, Greg Smith, who's leading the policy reform for the agency, Allen Rowley, who right now is acting as Associate Deputy Chief, John Crockett, the Acting Director, and myself.

Feel free to contact any one of us, and we will be glad to communicate back with you.

>> Okay.

Thank you, Dave.

So, thanks, Dave Wilson and Dave Cawrse both.

As you see up here on the screen right now, there is additional dialogue sessions that will be going on in those locations in Duluth, Flagstone, Ironwood, and I believe in Atlanta, as well.

To join the Region 8 discussion over the phone that's going to be happening in the room, dial that 1-888 number at the top, and then you see the passcode there for Region 8 -- 4463759#.

For Region 9, the Eastern Region -- again, same phone number -- 1-888-844-9904 -- and the passcode for Region 9 to join that additional dialogue discussion after this Adobe Connect discussion, you'll need to enter the passcode 5940426#.

Okay, well, I do see one last point coming in from Duluth here on the scaling issue that we were discussing earlier.

They said there were additional concerns regarding consumer scale, including allowing two scale methods on a single scale -- pulpwood by weight and logs or firewood stick scaled on the landing.

They are reviewing TEA rollback of 15% in areas with competition.

This will allow the competition to generate fair market value.

Do you want to articulate either of those points any further there, Duluth?

If so, just go ahead and take yourself off mute and let us know.

>> Well, on the scaling piece, there was concern on a sale that would be sold by a ton and if there's opportunities to deliver that those products to other locations that don't have scales when scales aren't available everywhere, so being able to mix scaling methods.

And it's been indicated that that's not an acceptable practice right now.

If it's sold by the ton, all measurement has to come back by the on.

And then, on the TEA was more on the modernization of the appraisal process as why we're spending so much time or so much concern about setting those minimum rates, seeking that fair market value when you have areas of competition.

And using a larger rollback factor would allow to better capture downturns in the market.

And competition ensures that, in an upturned market, that you still receive fair market value.

So, if you have a track record of three or four bidders out of your sale program, why does there remain to be such a concern from the Forest Service to set an advertised rate within 25% of the selling rate?

>> Definitely.

And so, we're looking at how to better that process where there is the competition.

>> Okay, I see Andrew asks, "What is TEA?"

>> "TEA" is transaction evidence appraisal.

>> Thanks for that.

>> Transaction evidence appraisal -- that's the method that the Forest Service uses to conduct all their appraisals.

It's a review of sales that sold in the previous four quarters to determine the base period price for current sales.

>> Great.

Thank you for clarifying that.

Okay.

Any remarks you have, Dave Cawrse or Dave Wilson, on what Duluth was just sharing there?

>> Well, I have a question on the pulpwood by weight and logs or firewood stick scaled.

I know we have an option to do deck scaling now, but I guess that can't be done on the same sale.

It either has to be all deck scaled or all weight scaled -- we can't mix the scaling methods.

I guess that's a question for our own folks.

>> We'll work with you folks at the region.

I know you've been struggling with this one for a while, so let's see if we can't come up with a solution to that one.

>> I know Gary Church is working on deck scaling and a method to do that, because not everybody has weight scales available.

>> Right.

>> But mixing the two methods -- I'm open to hear more about that.

>> Okay.

>> I know what you guys are saying back there, and I thought we had been moving along on that.

So, we can revisit where we're at and where we need to go on that with the region there.

>> Great.

Well, good to get that feedback, Duluth.

Thank you so much for that.

Okay, so, you want to dial into the additional dialogue sessions, there's the number up there on your screen.

And with that, I guess I'll close things out for today.

Thanks, everybody, for joining us here today and giving us feedback on the Forest Products Modernization effort.

We really appreciate you taking time out of your day to join us here.

Just as a reminder -- this session is being recorded.

I will send out a link to this recording, or we will send out a link to this recording, as well as the PowerPoint and the notes and a transcript to follow up.

So, thanks again for joining us here today.

I look forward to hopefully seeing you on another dialogue session in the future.

And with that, I'll go ahead and end the meeting.

Thanks, all.