

**FOREST PRODUCTS MODERNIZATION NATIONAL PARTNER FEEDBACK SESSION**  
**TUESDAY, SEPTEMBER 11, 2018**  
**ADOBE CONNECT AND IN-PERSON AT YATES BUILDING**

**TRANSCRIPT**

**Session Kickoff and Logistics (Wendy Zirngibl and Ben Irely)**

Wendy Zirngibl: Good morning everybody. We are just missing a few more people. I want to let you know that the restrooms are out the door; there's also refreshments and food as well. In the event of a fire or fire drill exit this way to the right. With that, welcome, and I'll turn it over to Ben Irely, our partner at the National Forest Foundation.

Ben Irely: I am joining virtually can people hear me okay. If you can please indicate that in the chat box. I work with the National Forest Foundation. The mission of the National Forest Foundation is to engage Americans in promoting the health and enjoyment of public lands. I am the Conservation Connect program manager. The Conservation Connect program serves community-based groups and Forest Service employees involved in collaborative stewardship on National Forest System lands, so that's how we and my role here today is to co-facilitate this session virtually, along with Wendy. You'll see a note on the Adobe Connect screen currently. You can see here. To unmute your phone hit star pound. It allows me to know to call on you that way. If you don't mind taking a moment to introduce yourself if you're joining us virtually in the discussion pod and we'll get to in-person introductions in a moment. I just wanted to remind you that this session is being recorded and I will provide a link to the recording if you want to view it later or share it. So quick run-through of the agenda. We are now doing these introductions and logistics and in a moment we'll get some opening remarks from Allen before we move onto the Forest Products Modernization Overview and National Perspectives, followed by some time for clarifying questions. Then at 1:30 we'll have a 10-minute break and then jump into the meat of this session, which is getting feedback from you all. After that we will have some leadership closeout remarks from John Crockett and some logistic information from me before we adjourn at 3 PM Eastern time.

You should have seen on the agenda and optional session for further dialogue. We are going to provide a phone number for people who are joining us virtually, if you choose this optional session this afternoon. That optional session has a quick overview by Wendy and then more opportunity for feedback and discussion before we have some leadership closeout and adjourn at 5 PM. With that, I will go ahead and turn it over to Allen for some welcome and opening remarks.

**Welcome and Opening Remarks (Allen Rowley)**

Around the table here, I will introduce myself, and then I think we have an opportunity for folks to introduce themselves. So my name is Allen Rowley and I am one of the Acting Associate Deputy Chiefs for the National Forest System. Welcome and thank you for taking the time to join us. This is the first of several of these engagement sessions with people outside the agency in the forest products

modernization effort. The format here is a webinar and a face-to-face conversation to dive deeper if people wish to. There are three more sessions occurring west of here, using the same format, at various Ranger Districts and Forest Supervisors' offices. Groups of people may come together to experience the webinar together and then have a conversation with specific to your region. That's the format.

Ben covered the material about muting your phone and how to ask questions, so I'll skip over that, and I'll just talk about why we are here and what the objectives are. We have talked about this with some people outside the agency, but this is a chance to get more people in the conversation of what the objectives are. Which is to engage in- When we talk about forest products modernization, some people jump to the conclusion that we are not talking about modernized forest products. We're talking about the system we use to deliver forest products, which is a part of an important system used to deliver active management of the NFS. So to create awareness of that. That is what we are all about. Plus feedback from some of you that referred back already on this. We came up with some ideas as to what we might want to do internally to the agency to streamline, speedup, and modernize that system that we deliver active management through, at least through conventional timber sales and stewardship contracts. And what might we do to speed that process up. We have some preliminary ideas as to what we might want to change and Dave Cawrse and John Crockett will share some of that. Gather some ideas from business and non-profits to streamline our efforts that you think we might take on as well as continue working on relationships amongst each other. So today we will share why this change is important; we've talked about that; have some dialogue. One thing we talked about was how we do appraisals. Some people in industry say "We understand how the system works and we're comfortable with that; Why would you want to change that?" That is some rationale as to why we want to have that conversation and it would be good to hear from all of you. What are we missing? Discussing what we think the barriers might be and what some solutions are. Continue to find other ways to get all of you and others engaged in our conversation. Engaged in a way that makes this better. What can we do to get a different answer, or a better answer? That's the conversation. And discuss how we will be using that feedback.

At the end we hope to come up with a better understanding of the actions of the agency is contemplating that are all focused on how we deliver our forest products. Which is one of the ways we deliver acres treated, active management, improving forest resiliency and forest conditions. It's one of the tools. How can we make that tool as efficient as possible or as effective as possible? And again, we are here today to gather what advice do you have to make the system better?

With that I will turn the call over to John who will give some more overview. With that, I will turn it over to John.

**Introductions** (Ben Irely) So I want to start with online introduction. Folks, if you could hit \*#, that will unmute your phone, it will also mute your phone. You'll see on the top toolbar, there's a picture of someone with their hand raised, press that and I will call on folks to introduce themselves over the phone. [Low volume, difficult to hear, see list of registrants]. Let's return to the agenda now. Thank you for those opening remarks Allen. Let's move on to John Crockett, giving the FPM overview and national perspective.

## **Forest Products Modernization Overview (John Crockett)**

I will do some baselining is a part of the slides that I'll be sharing. I want to start with the USDA strategic goals and at least highlight a couple of points that are a part of the USDA strategic goals that connect to our work. The first one being "Programs delivered in an efficient manner with a focus on customer service". The work that we are doing is as part of the modernization focuses on the customer service end of it. If you look at the cross section of people who are on the phone or around the table, they are definitely our customer base. And then calling out Goal 6 which is a part of our strategic plan, I think that is the first time that the Forest Service priority has been elevated to the level of Department as a stand alone goal as a part of the strategic plan, and that is "Ensure productive and sustainable use of our National Forest System land". These goals are all directly from the Department. We have 5 Forest Service priorities we are focusing in on. Just to hit a few high points on uplifting and empowering employees. If you think about the work that we do as it relates to forest product delivery. Many times we have our employees who are frustrated with the time that it takes or the fact that some of our policies might be outdated and that doesn't put them into a place where they feel empowered. So that's a direct connection to one of our Forest Service priorities. Another is being a good neighbor and Customer service component that ties in with the USDA goal and the fourth one is "Improving conditions of our forest and grasslands". We are stewards of these resources that have been left with us and wanting to make sure that we're leaving them in a better place for our future generation. And then finally looking at 6 of our Forest Service change efforts. And these are special initiatives that are designed to look at practices and policies within the Forest Service that will allow us to operate in a more efficient manner. So this is a ways to highlight all of them in one area. You have the 7 USDA strategic goals, the 5 Forest Service agency priorities and the 6 NFS change efforts. You can see how they connect with each other with the varying components that are in there.

So to talk a little bit about the Environmental Analysis and Decision-Making work, we put both of these change initiatives on the same slide. We've also got Chris Iverson, who is our Director of Ecosystem Management Coordination, so that we have the opportunity to connect the discussion around FPM with the change initiative on EADM so that later on in the discussion, we aren't kicking the can down the road to say we aren't dealing with that aspect. No, it's connected. So EADM is looking at increasing our efficiency and ability to get more work done on the ground, and forest products modernization is looking at our culture, policies and practices. I think calling out culture as an internal mechanism- we have an internal culture within the agency that takes on a life of its own. You see that coming up in a lot of the work that we are doing. So the bottom line is we are looking at aligning our policies and guidance to be able to get more work accomplished on the ground. Allen talked about this earlier, and I'll add a little bit to it. When we talk about Forest Products Modernization, we aren't talking about modernizing a stick of lumber, we're talking about the processes associated with it. What we are not including in this process are non-timber forest products. So like mushrooms, ginseng and those things that you can collect as a special forest products, we are not including that. We are looking at the system delivery for the things that we have outputs on, basically saw timber and pulp products. So our goals are pretty basic. We want to have our policies and practices be more flexible and agile to get work accomplished on the ground. That is it in a nutshell.

So why change? Why take on this effort? Why not continue on with business as usual? First of all we are stewards of the resources that have been given to us. Statistics show that we have about 65-82 million acres of national forest system land that are at some type of risk, whether it be insects and disease or wildfire. We use shorthand for that to say about 80 million acres are in need of some type of restorative treatment. Currently we are treating just over 5 million acres per year. And that includes mechanical thinning, treatment for invasive species, timber sales. It is the whole gamut of restoration activities that are included in that. We were treating about 3 to 4 million acres. Last fiscal year we treated just about 5 million acres. We also have our own processes that get in the way sometimes. That's an acknowledgment, from an earlier slide with the objectives, is to have an honest dialogue around our work. For us, to look internally, we recognize that the systems in place might be slowing us down so we want to focus on that. A couple of other points- we are looking at our workforce. We don't have the same workforce that we have had historically. Many of you who work on fire funding fix are familiar with this slide because that was an eye-opener for people when they looked at how our non-fire workforce shifted over time to be less than what our fire workforce is. So if you look at the people that we have in place now, we can say we have a need to add more people, but the reality is, we won't have the staff that we had historically. We need to be thinking about how to operate in a more efficient manner and one way of doing that is by taking an internal look at our policies, practices, and procedures to become more efficient.

So what are some of the things we need to do to achieve our goals? First of all, the session that we are having today is definitely a part of that. Getting feedback from our partners on what's important to you as we move forward, as well as getting input from our own employees. We want to take what we have been learning on a local scale and be able to share that. One example of that is we had an intensive appraisal one week workshop where we had a representation from all regions there, and as we started to talk amongst each other about appraisal issues they found out we can borrow this creative idea that came from this region and apply it here. And when you start to pull this together and you'll have a collective learning that enhances the entire organization. Calling out some words on what we're doing. Where looking at our training. Looking at how we can better utilize technology to accomplish our work and overall looking at system delivery. What are the systems that might be restricting us from accomplishing activities would like to accomplish.

This is a snapshot of our organization. This gives a good depiction of the structure of the forest products modernization team. It started with Leslie Weldon our former Deputy Chief. In March 2017, we gathered a few individuals in the room to take a hard look at modernizing our system delivery for forest product modernization. So that idea morphed into a creating an executive team to sponsor the work and then a core team to manage the day-to-day aspect of the work, and then a guiding team which brings in the regional perspective. So if you look at the makeup of the guiding team they are regional foresters, regional directors, forest supervisors and district rangers who are there helping to guide the work. As we share more of this we hear other people say we want to get engaged we've got things we want to bring to the table. So if you're in a different resource areas you have different ideas on how to make this work together we engage with them on bringing their perspective to the table. Bringing that over to the way that it's played out and is directed into the ground. Looking at how you put that

interaction. So this concept is morphing into a broader team that guides this work. That's the basic structure of it.

What does success look like? This is a picture of our Gantt chart and the layout of our timeline. Across the bottom you have the timeline this is the timeline for putting a container around the work. That mark is and indicator to say we are rolling out the comprehensive strategy for how we engage in this work and is also not saying that we are waiting to do this work and providing updates and receiving input as we go. So when you look at the middle of this slide this blue bar, you see internal and external engagement. And that's the period we are in now. We're looking internally to reach out to a broader section of the agency, and looking externally to receive input from stakeholders and that should go on throughout November of this year. It will probably go beyond that as well. These are not hard cutoff points, but it's how we've planned out the work over time. So our progress to date. We've done a lot of training. For much of the designation by prescription classroom training that we have done, there was industry represented there. We are looking to put together a sales administration academy to better inform the gaps that we have within the agency. We are using a lot of technology- purchasing tablets and things that will help employees be more efficient in the field. In February we had this idea that maybe we could send out a Chief's letter to provide more specific direction and guidance for employees. So we did that. We have a pilot going on for our appraisal system. It's a market-based appraisal system. The pilot is going on on the Salmon-Challis and looking to take feedback to incorporate the research into what we are doing.

We recognize that when we started out in this work, there were a lot of people at the local level who already had some ideas on how they could be innovative. We started to pull in that information and capture it in these one pagers and describe it as Innovations Underway. We've got these innovations underway you can take and look and share ideas and creativity's within them, and then maybe that sparks something within them at a local level to create something on their own that might be innovative. So 15 of these one pagers are drafted and several more are underway.

So next steps. This meeting is a part of our next steps. We are going to continue to gauge input from partners and employees. We'll have a series of internal webinars for our employees in October. We have three more of these virtual and in-person sessions. We will continue to utilize the implementation of any of the actions that are already ongoing and looking to immediately implement this action items. We have already said if we do these things it provides a higher return of our investment. We'll cover a lot of those action as a part of our presentation on the Director's Top 10 and when Dave Cawrse dives into the key issues. So that's a framework for a lot of the work that's going on to start this work that were doing at the USDA level. We will turn this over to Dave Cawrse, who is our implementation team leader and he's going to dive deeper into the work that we're doing.

#### **Key Issues (Dave Cawrse)**

For a little bit of my background, normally I'm the biometrics group leader in Fort Collins. It's called the Forest Management Service Center. And we're in the thick of it; we have cruising, scaling, volume estimation, growth and yield modeling, etc. We are service group out there. So I want to give you

background on the dozen issues that we're looking at. John mentioned that Leslie Weldon in March of 2017 got us together and she stood up and said "we want to be the best at the delivery of forest products". And we staffed up this guiding team in Portland in June of 2017 and brainstormed and said, if we are going to be the best, what do we need to address? And one of the things that John alluded to was the cultural change. So we are letting folks know that they are empowered to make changes to look at what we need to do to change the framework, to change our business practices, to improve our delivery of forest products.

For those of you who are familiar with the gate system, we have Gate 1 is feasibility of sale. Gate 2 is NEPA, Gate 3 is sale layout and so forth through Gate 6 when you award the sale. We've got flipcharts around the room to identify those pinch points, those areas we thought we could see improvement. Out of that we ended up having 12 issues. And the reason that six of these are in bold is because those are the issues where we have taken a deeper dive into with our own employees. I will mention that on the next slide. I am going to go through these really quickly. Personnel recruitment, staffing and training. As John said, our work force is barely half of what we had back in the 90s when we were doing the same amount of volume. I think this year we are over 3 billion board feet and the last time we did that was 1997. Sale layout, we know there's a lot of opportunities for improvement there. Timber sale accounting, we're very complex on that. Certification refers to our certification process for our own employees to be a certified sale administrator, certified silviculturist, and certified cruiser, are there opportunities to improve that? Appraisals, John mentioned that one. Contracting and permitting, we got some feedback on that one. And the bottom ones, 7 through 12, project and program management. Program management, there are some concerns on are we strategic on how we approach the landscapes on our national forests in how we do our investments? Project management skills are required to run a sale from start to finish. Permanent trust funds, and the ability to use our expanded authorities.

Information management- we have a lot of reporting requirements in the FS. We have older databases that are clunky and sometimes require multiple inputs. Once called FATS, the Forest Activity Tracking System, and the other one is TIMS, the Timber Information Management System. What can we do to modernize those? Forest products utilization and markets, we realize in some parts of the country we no longer have industry present, and so utilization is a concern. Silviculture, that one is related to the complexity of our silvicultural for our prescription as we go to new authorities like designation by prescriptions and also the certification process for that. And finally the reviews and audits we do in the Washington office and regional offices, are they on target and are they timely and efficient?

We had these top six issues. We wanted to connect with our people from the field. Where the rubber meets the road is on a ranger district. These are fairly remote, rural communities, where our folks are doing sale layout and sale administration. We called them solution teams, there were six of them on those top 6 issues. We invited at least 2 or 3 people from each region with a preference for district and forest personnel and sometimes regional personnel, to participate in this. They met over 4 week period it was a throwback to the quality the circle in the 1980s. It seemed like something we could try, like when Ford motor company would meet with employee on the floor. These teams were virtual and we brought in professional facilitators, going through the background issue and some deliverables.

So we had over 300 ideas that came out of the solution teams. Some of them are redundant. An example was wifi connectivity and internet bandwidth. That came up on several solution teams. We can't go to new technologies unless we have the infrastructure to support it. So we went ahead and got down to a little over 170 ideas. People could also email us ideas. We met the first week of June here in DC and we did have an implementation team, at that time we had a collection of detailers, all of them were district folks, and they had some first-hand stories to share with us as to where we could do improvements. We met in DC and attempted to rank them. We would look at how long it would take to do something, how much effort and what the benefits would be. Some of them were regional in scope, but we did focus on the national ideas. To give you an idea of how we ranked them, for example a change in a certification process, you could do that with a letter, it wouldn't take much effort. But the benefits would be, let's say for cruiser certification, would be a relatively small benefit on a national scale. Another one we looked at was designation by prescription- that was a new authority in the 2014 Farm Bill that allows us to do a prescriptive approach to a timber sale without using paint. Paint was one of our high-cost areas. That one would take a little longer to implement, you would have to change policy and train employees, but the benefits could potentially be huge if you're saving 70 cents an acre on paint, it could be a multi-million dollar savings. So we got it down to a scale of number one through 10.

From there we got down to a core of ideas. We identified top ten areas that are the Director's recommendations. We met again with an expanded guiding team in July. From here, this is a good point and sweet spot and we have ideas that we want to move out on. This is where we wanted to start our feedback session on. So far, we have looked internally and worked with our own people, and now it's time to work with our partners on some of these key issues. That's partly why we are here today and next month we're going the regional ones. I'm going to talk a little bit more about each of these areas. There are four 4 that we highlighted for today's meeting sale layout, timber sale accounting, appraisals and contracting and permitting. But I just want to mention personnel recruitment, staffing and training- we view this as internal, but I know there is interest. The designation by prescription class is a new class. Bill Imbergamo offered up the industry that might have some time in teaching that, so we have allowed a few hours in that class to have a little bit of dialogue and conversation with industry. So even though I won't talk about these other areas we are open for feedback.

Sale layout. The policies and procedures can be altered or eliminated to increase efficient and effective layout to better streamline policies. Sale layout is a big deal. I mentioned the cost of paint and how we do our boundaries. The type of prescriptions we do, we want to make sure that those are as efficient as possible. I mentioned that paint is expensive. Paint alone, on 4FRI they've done some cost analyses Here they've done some cost analysis it can be \$30 an acre. And the cost can be double. So if we have simple prescriptions that we can implement in a prescriptive manner and not use paint it's a huge cost savings. Again, the 2014 Farm Bill allowed us, before DXP used to only be used on stewardship sales. Another area that we were behind on in new technology. This goes throughout all of our process, but it hit in sale layout. 5 years ago half our cruising was done with pencil and paper. We talked to industry and they said virtually all of industry has been digital for a long time. So we've made a big effort from 5 years ago to purchase handheld data recorders. We are using lasers we are doing tree height, that's not only a cost

efficiency, but a safety measure. Those other areas in sales a ministration of using tablets. That whole area is ripe and advancing quickly. You can use Avenza maps on your iPhone to get your location, to have your timber sale administration map and your sale administrator notes would be digital too. So there's a lot of opportunities there.

Timber sale accounting- this issue includes not only accounting but sale administration, scaling and financial accountability and we want to increase our flexibility in the financial system. Our standards and timber management policies to determine which ones can be eliminated, changed, or streamlined. Concerns on this one. One thing that came up was that we treat low value pretty much the same as high-value. Some of our regulation was done in the 80s, when we were harvesting a lot of old growth. A lot of our restoration activities center around timber that can barely pay its way out of the woods. If the tree is cut regardless of the value I have to report it to law enforcement. And do we need that same level of accountability when we're dealing with low value material, or could we deal with that in the contract? Another area is our financial system. On that one I'm happy to report we started last month to implement the new Forest Products Financial System.

On appraisals, John mentioned that this team met already on that. What's good enough for an appraisal? We want to determine fair market value, and your appraisal is the start for our bidding system. There were stories that came up on our solution team of spending 3 days doing an appraisal, and they got the appraisal back and felt it wasn't right and had to go back and do it again. So we looked at this streamlined approach involving spreadsheets we are developing our beta version for that. Our typical appraisal system is transactional evidence. That system does need a lot of points from past sales, to help determine what the current sale is worth, so if you don't have a lot of sales going on, transactional doesn't work so well.

The last one I will mention is contracting and permitting. We haven't really stood up a team to look at this yet. But we did get feedback on the complexities of our contracts to our integrated resource service contracts. People won't bid on them because they're so complex. We do have a lot of different types of contracts but we find for small amounts of saw timber we are not that nimble and flexible in doing that. Particularly if it's west of the 100<sup>th</sup> meridian because of export laws. So we are looking at how we can improve our contracts. Again, low value came in as a concern on that. And permitting, John mentioned we are not looking at mushrooms and all that, but firewood permitting is a way to accomplish restoration and we are looking on better ways to do online permitting. So with that, now you can hear the recommendations.

#### **Director's Recommendations (Allen Rowley)**

This is an ongoing project. These recommendations that- 170 ideas of things to work on, you don't know quite where to start. Internally focused ideas. Some are long term issues and some we can fix right now. These are the sort of things I tried to factor into these ideas. So I will start with continued training. As Dave talked, about we have initiated quite a bit of designation by prescription, designation by description and training and the signal is that we just need to keep doing that. That's what number 1 is about. Up our game, continue to deliver, helping people with digital technology. When I talk to those

people who work at Fort Collins they describe elegantly simple methods for area of determination and volume determination that are a force multiplier. We just need to keep that training up. That's what's behind number 1. Number 2 is an internal focus and a work element for us to provide stability, a career path and skills in terms of sales administration. It's a process piece; we need to get some standard position descriptions. We are almost there, this is a signal that is good work that is almost finished. Element 3 is already in motion. Our recruitment and hiring new employees at the Society of American Foresters convention and other venues like that. We are making progress and we are going to continue doing that.

Number 4. Staff work on the certification of employees to accomplish tasks. We need to determine the return on investment and figure out which pieces of this we need to keep, improve, or make go away. Those are the three choices. So my favorite story, personally, I was trying to get certified as a log scaler a long time ago, and I aced the field practicum. The certifier, because I hadn't done enough rotten red cedar logs, would not certify me. I was in a mill that did not have rotten red cedar logs coming in. So what's the point of that high bar of me being a scaler for rotten cedar logs? You can draw your own conclusion, but obviously that was 35 years ago and it still irritates me. But I'll let that go.

Our timber information management system, how we keep track of our sales is clunky and we need to figure out a way to make this better for ourselves. That's number 5. Number 6 is using new technology. Using off the shelf digital product like laser range finders etc. Dave and his staff in Fort Collins are looking into that. Let's continue to lean into this. We haven't made a lot of progress on this yet. Number 7 is form a team to dig into our contracts. Complicated timber sales probably need complicated contracts, but simple timber sales maybe need more simple contracts. When people tell me "I gave up bidding on FS timber sales because contracting was such a hassle". What about that can we fix? Obviously this is a long game. Many people who study contract law will want to be involved. I get that. I just want to share that I heard that. Can we help ourselves there? Later in the afternoon, we'll have more time to dive into that. This is one that should get people's attention.

Number 8 is the appraisal process. Dave Cawrse gave the example of someone who works on an appraisal 3 days and still doesn't get it right. When I visit with industry representatives, they don't spend 3 days on an appraisal. So why are we spending all this time, and many people will comment that the system is not as transparent when we arrive at the appraised value. That doesn't seem very fair. It seems like we could do it better. I think we could put some sunshine on that. So it's on the list.

Number 9- our forest products financial system is going live. We need to get direction out to the field to make that as user-friendly as the designers thought it could be. The last one - define low value and how might we manage for appraised contracts and accomplish that. Low value is in the eye of the beholder and depends upon the market. I would say any given acre that we might prescribe some management activities to improve forest conditions, there will be vegetation that we want to remove that has market value that many people could recognize, and there will be some vegetation material, biomass that we're not sure what to do in terms of its marketability. But to meet our restoration goals, we want to remove both of those. How can we help ourselves do that? It varies widely from location to location. There is work we need to do internally in terms of prescriptions and land management plans. This is very much a

long game that we need to dig into. It feels like a high leverage move, in terms of active management and acres treated, we can figure out so whatever that low-volume material is, it's not a burden to some part of the system that slows us down. Any questions? There so much coming our way we have so many hours in the afternoon to have a roundtable conversation about this. This would be what you've heard so far in the last hour, where do you want to start this conversation.

### **Questions and Answers on National Perspectives Shared** (Wendy and Ben)

Will the PowerPoint presentation be available?

Yes.

And the guiding team. Who was on that? Not by name, but what was the rationale? Did you include anyone external?

The short answer is. Nobody external. It was all within the agency. We were trying to identify people who understood the business in the agency who were in high leverage positions like regional Forester's and directors and supervisors. We wanted to take on changing the culture around this and wanted some people who knew the system well and the way it works now, and were in a position to have some influence. We are in a position to provide input to push back as we roll this out. So that was the makeup of that. We since added a few external people not on the guiding team but in some of our work processes. I'll go off script and say we are happy to have some more input coming.

You were talking about having those innovations underway and you mentioned the 15 drafts that you have. Are those available for us to take a look at or are those still internal?

Several of them are available on our forest service FPM webpage. We will make sure to get that link to all of you. There's a slide at the very end of the presentation with all of our contact information and the links to the external webpages where the information is housed.

This is Dave Cawrse. It's an internal intervention. It's on the way. One thing that came out with our solution team was one region had an idea and another region didn't know about it. So the ability to use these 15 ideas and share them internally called peer to peer learning, we need to learn how to do that within the agency to share the ideas that are coming out.

So on this process- I think it's great you're using technology, and you have all these plans that need to be treated. Are you looking at markets? So you aren't putting up timber where no one is going to buy it?

We are taking about the feasibility. So the short answer is we are addressing that through our training component. I mentioned earlier in my part of the presentation is, in many places we have a skill gap meaning that there's a loss of institutional knowledge on how we do some of our basic business practices. I think logging feasibility is a component of that. Knowing how to build a sale so it's responsive to the local market. We are addressing that in the training component is not a standalone action item but it's something we are looking at on how we train our employees.

Just a comment: the slide came up with your priorities. Number 10 was markets. I think that needs to be bumped up. Because if you don't have markets and ability to utilize that material, the other six are going to go away, aren't they?

Allen: So the comment about #10 on our 12 lists, was markets. And Dan pointed out that without markets, maybe the rest is irrelevant. Got it. So, what can we do to help? There's some market that the agency has influence over, and there's some other stuff that outside actors influence. We need your help on figuring that piece out. When it comes to markets there's stuff that I would submit isn't our business, as the government it's not our business. So let's think more about this. Particularly in the afternoon.

And just a little bit more on utilization and markets. It was designed to look at places where we had small-diameter and low value materials, biomass as we would call it in many instances, where we might have an objective to move it but we don't have a market to take it to. So that is like the basic structure of what that action item is looking at. It's looking at our low value materials, essentially.

Bill Imbergamo: I guess I would just reiterate what my friends and colleagues here raised, that every one of these cases, regardless of what you're dealing with, but particularly with low value, if you focus only on the low value that's going to make it difficult to meet any (indiscernible). Once you decide to use timber sales as a means to restore, as a means to accomplish your restoration, if you're not aware of what the markets are, everything else is irrelevant. Accurately appraising low value material is not going to help if there is no one within a thousand miles to take it. So understanding those markets and making that a part in every piece of this, I think up to and including contract is important.

Dave Cawrse: He was just emphasizing the concern on low value as it becomes irrelevant. You could have great appraisals but if there's nobody around for a thousand miles to buy it, that's a big concern. I have a couple comments on that, and it relates to silvicultural prescriptions. So, often as a silviculturalist, you take in account what your target stand prescriptions are, yet there's an economic aspect to writing a silvicultural prescription. And we heard in 4FRI, if there's at least two trees per acre, that are larger diameter and more valuable, the restoration might pay for itself. Sometimes the prescription that goes into it, you need to focus not on just the pure restoration but also the business aspect to that prescription too.

When I say market, I mean more than just the logger and the mill. It's haul distance, it's fuel cost, logging systems. Every aspect that you change changes every aspect of the viability of that sale.

Dave, in the future do you think you will go towards virtual boundaries?

I can do a quick update on that. We had a group already meet on that, and we tried a test on the Black Hills a few months that went so-so. It did indicate the type of instrument used. You need to have that available in the cab of the operator. How we describe that boundary is very important, the type of error that goes with it. We are testing this I think Fleishman is on the team that's going to be testing that. But virtual boundaries, there could be some places where we could use them. Obviously next to wilderness or private land we're not going to use it. Other areas that are between the sales units, we will try it.

Some of the equipment quite frankly in the cabs is much better quality than what will have for our field personnel for handheld data recorders. I know we started some contract language on it, and we hope to maybe go live this fall with virtual boundaries.

The answer is yes. We've done a demonstration project and are developing the contract language on it and the type of equipment and sampling error that goes with it.

Dave Cawrse: Back to markets and utilization, one thing we're looking at is, we talked about certification. But there's certification related to the product being removed. FSC, do I have the right acronym- I'm looking at Jim Beck right now- and SFI. We looked at it about 10 years ago and I'd be interested to hear from folks at the table, would that be of interest? We haven't pursued it. We talked about pilot projects. I'll give an example, in the state of Wisconsin, all products are removed off of county and state lands all meet an SFI certification, which apparently increases their value. We heard from another state, Arkansas saying if you could offer SFI products we would bid on them, but we don't need uncertified products. They want to have that trail of a chain of custody. So I'll throw that out to folks here- is there any interest?

Imbergamo: I have a better chance at winning the next Olympic gold medal than the Forest Service has at successfully navigating a forest management certification process. So let me finish, the value depends on the sector you're in. There is value to that in some sectors- certified plywood. So it's valuable to the members, I don't know if you're getting premiums, maybe in the South, but not in the Lakes states. It can be handled through the controlled wood standards of both FSC and SFI.

Dructor: Your management is based on legislation. You're not going to change it based on FSC or SFI. You'd be better off if you could certify the folks doing the work out there, doing the harvesting.

Dave, can you summarize those responses for me. I heard the one about the individual medley. That's the one I remembered.

I think the answer is we want to look at the certification of individuals who operate the systems rather than certification of the product off of the land. Our products on federal lands are guided by federal laws. I am kind of paraphrasing, I might be adding another layer of policy that's not needed but does that summarize it?

Ben: That works. Let me insert a response from Dick Fleishman if you wouldn't mind. He wrote in the chat box that they are trying a virtual boundary demo on the Kaibab this fall and implementing next summer. They are putting in place the new manual directions associated with virtual boundaries. Thanks Dick.

Allen: So I want to go back to certification. Bill you had a specific phrase that I didn't get-

Imbergamo: Controlled wood. Both FSC and SFI I believe have controlled wood standards. And that is, as I understand it, has to do with having a clear contract, clear title to the timber and having good records of the sales and that can bring the wood in as meeting the controlled wood standards of the mill. I just don't want you to over-learn from one or two cases where someone said something about a mill when it

was on quota saying we're not taking anything other than certified fiber. Actually this came up a few weeks ago; my board members are almost always in the top 15 purchasers in the country and every one of them tells me the forest service was not capable of getting through the rigors of either FSC or SFI certification and doing so would be an extraordinarily low priority.

So I asked Bill to repeat that because I knew that phrase was important and I had not researched controlled wood standards. I saw the right people scratching notes.

I would just add to that that the only reason we need more certified fiber in Wisconsin is because it's the number one paper-making state in the nation and it seems that papermakers need that certification because some of their customers are asking for it. It really is a matter of trust as to what goes on and what the public perceives happens on the ground. When I go to talk to the largest furniture manufacturer in North America, they have no certification anywhere in their business, and they go through several carloads of wood a day in their process, and the only two places where they have anything to do with certification is in Australia because their plant is so close to the rainforest and I think he said Cambodia. Those are the only two countries and that's the largest furniture manufacturer there is. Any of the lumber mills that we deal with on a regular basis, they don't care about it, don't want anything to do with it and that's the high-quality timber. I agree with Danny that if we certified the guys actually doing the work on the ground and what they came to deliver is certified, that would be pretty sufficient.

Ok great. So, I am not seeing any questions coming in online so let's go ahead and take a 10 minute break. If you're joining us virtually, please do not disconnect your phone line or from Adobe connect. Just put your telephone on mute and let's return here at 33 minutes after the hour for discussion periods. Wendy, please stay in the room and check with me briefly.

## **BREAK**

### **Feedback and Discussion**

I think we have enough to get started.

Wonderful. Welcome back everyone and thank you for rejoining us on the phones and in person. Moving onto the next general feedback and general discussion feedback I have a list of questions that I will ask for the folks in the room as well as those online. For those joining us online if you can join us on the phone line used the hand raise function. You can also use the mute function on your phone. Let us get started. For folks online if it is easier for you to ask your question or give your feedback through the chat box I can read those off there. We just want to make sure it works to give our online people a chance to participate.

### **How do the priorities that have been shared here today resonate with you?**

Also let's announced names before we speak so we can verify who was speaking.

Great, thank you for that. I am not seeing anything coming in online at this time. Let us move on to those in the Yates Building. How do the priorities we shared today resonate with you?

This is Bill Imbergamo. They seem well thought out and well thought through. I think the one thing just to reemphasize what was said before the break. Markets and every aspect how markets work including logging costs and volume per acre, all of those have to be front and center in all of your thinking as you undertake these other elements of streamlining your own business practices. I know I've talked to Alan and I think I've talked to you John on appraisals. We want to make sure that the communication lines stay open on appraisals. If it is about streamlining your internal processes and costs, that's great; if it's about radically reengineering the appraisal process, we need to stay in close touch on that because in our view if sales sell, it doesn't matter if there's bid premium. Bid premium is not a problem with the appraisal process. If there is a problem with the appraisal process, we need to understand what it is. No bids should be a bigger red flag than bid premium.

Great. Any other feedback regarding the priorities?

This is Danny Dructor. I would say again, that if you are going to market low value products you better have some high-value in the mix to make it a viable sale. Nobody can operate in the red. That is not how business works.

Thank you for that. Any other feedback about priorities how they resonate with you today? Okay. What about any other feedback on what you have heard here today?

This is Robert Hoover from Pacific Industries. The priorities, I don't have any complaints. It seems to make sense. I think it is good that you have a number of action items already underway. We are seeing some of those things take place here in our area in the Central Sierras, especially DP that is already being used on the Tahoe. There is a lot of use of Avenza maps for our sale area maps. We're not using virtual boundaries yet, but definitely folks out here are taking a new direction and running with it and making some changes. I think we are benefiting from some of the stuff that is already underway in region five.

Great, thank you for that. Others out there either virtually or in the Yates building? Okay. Moving on, Karen Hardigg has raised her hand. Karen, if you can go ahead and unmute your phone if you have not already done so and ask your question.

I think I am unmuted. Can you hear me?

Yes.

First of all, I appreciate the information and the presentation and the work that the agency is doing. I have two questions. One, I think John mentioned some fact sheets and papers, that in the process you uncovered something regarding in different forests and regions and rolled them into some summaries amongst 15 papers that will be shared. I think it is great that they will be uncovered but I think there is also a difference between seeing an idea and the ability of an individual to act or lead on that. I am

curious because there are a lot of acting positions and personnel changes. Have you thought much about strategies to help people in their place take leadership on a new idea?

This is John. I will take a stab at that. This idea or concept around forest products modernization is similar to the way we talked about EADM. It's been elevated to a high-priority level in the agency. So if you engage with someone at district level and you talk to them about the EADM process, they will have some level of familiarity, what it is and what we're trying to do, even if it is not the nuts and bolts of it. They are aware of the concept. Forest Products Modernization is right behind that idea. So, we're trying to get the word out so that employees know it's a priority and they are able to take either their frustrations or things that they've been wanting to innovate and do more of, and they'll be able to engage with that. So I framed the response in that way to say that that idea should transcend anybody that is acting or is in a role on a temporary basis because this change is, I was going to say an internal one, but it is really trying to make a shift in our DNA. If you think about it from that aspect, the way we are describing it. So, getting the word out and having the engagement should help transcend any concept or idea around innovations.

This is Dave Cawrse and I mentioned that I'm at the Service Center in Fort Collins. We made a run at this five years ago in 2013; we had a task force report and some of the recommendations are here today, but when we did that report five years ago it doesn't have the support that we are seeing right now. At the time, Chief Tony Tooke wanted to jumpstart FPM and we did a letter in February. And I thought that was huge to the field, because it indicated leadership in it, we put five things in there to increase use of DbyP, to use more good neighbor authority, we changed the sampling error, we changed the certification standards, and the very last part of it was "Go digital, modernize your technology by fiscal 2019". When you're in the field and you have that push it doesn't matter if you have an Acting or not. That is direction from the chief. I think we are enjoying a good push from leadership, on the identity and tone of FPM, to modernize our systems.

John: A couple of other thoughts. We have a lot of employees at the field level who are really creative and innovative and they are looking to put that creativity and innovation to use. We are seeing use of drones or UAS as an example. We have national policy and direction that is restrictive around use of those. It is policy that is closely tied it to how we use our aviation fleet as far as the standards and what it takes to operate one of them. So we have employees that either have utilized drones recreationally and they see the benefits that can be derived from it, so they are pushing us on describing the efficiency that can be gained by just having one that they can have on unit, they can run out, fly whatever area they want to fly and save a lot of on the ground time. That concept or idea is being pushed from the ground level and also on policy at the national level.

Great. Thanks for that. Any other responses to Karen's question at the Yates building?

This is Henry. Just a couple of comments. We talked quite a bit about changing the culture within the agency. That is why I asked the question how much external input has been gathered to begin with. I don't really see how you can change a culture within a culture without some type of external input -at almost every level of the operation. I have talked a lot with folks that work with agency and they are

frustrated as all get out because they want to do the right thing at the local level with their communities and they want to put timber up for sale. Sometimes I get the real impression that they don't feel that Washington has their back to do that. That is after going through a long period of 10 years of lawsuits one on top of the other that seem to have subsided right now- which is good- but I believe that there are some decisions that will have to be made on some of the sales that are coming up on the Chequamegon-Nicolet. Another comment on the contracts. I think it is really a good move if you start thinking about what kind of timber you're selling. For instance, if you are selling a pure hardwood pulp sale, where you're looking at a tree that's maybe worth \$.50-\$.80, and have to call the marshal out there because I cut it off a stump because it wasn't marked and I can't get through. It is really impossible for a forester to mark every tree to make sure that the equivalent we utilized now can get through that sale. But it's also okay for the officer to have some kind of an option to leave that tree lay there, cut it up to get it out and go back to look at it and say yes, it's okay. I've been brought into it myself, where there's been trees that were marked up here and you cut it off and you look and there's no stump mark on it, like contracting markers. I think it is good to have some flexibility and then be consistent with that flexibility. I've worked with some foresters that have zero flexibility and the marshals on the timber sale, and then there's some that say "keep track of it", because I know the diameter and length of that tree. So having some contract changes that way would be good. You do state sales, I'm looking at a 27-page contract. I do a federal timber sale, I'm looking at who knows how many pages. By the time I get done, that all takes time and money. From my perspective where profit margins have gotten thinner just because they get thinner based on our global economy and I don't see that changing. So heading in that direction is very good.

Thank you for that feedback. To summarize, and please fill in the gaps, it sounds like your initial question was: how can this cultural change happen and how best to involve partners at all levels within cultural change. Is that right?

Yes. I'm trying to figure out in my mind how to change the culture within a culture. Typically we work on educational programs all the time and it is about changing the American public's perception of forest management. They want the products but they really don't want the tree taken down to get the product, so to help them understand that it is okay to do forest management... we're way past the late 1800s and early 1900s. Data says we're growing 2.5 times timber in most cases than what we are harvesting, so we've become much better at what we do and we're more sustainable. That is the cultural shift but that will not happen unless outside information comes in that is reliable and I would make the same application to this agency that if you are having outside influence that is truthful about what is going on and that's all combined then you are going to have a true long-lasting cultural shift.

John: I have a follow-up question related to how to engage partners. We shared earlier our internal framework on how we are engaging a cross-section of the agency. Do you have any recommendations on how to include partners into that mix?

I think this is a good step that you are doing today but take it a little bit further. To take it down to the state level. We need to include this at the beginning of the discussion. Sometimes you have to go slow to go fast. I think that if you bring the externals in at that first discussion point and include them up front

you will get a lot more information and a lot more input because they are the people that have been dealing with a lot of issues on the ground, in the field. Does that make sense?

Yes. Thank you.

Great.

This is Tim O'Hara. I think anything that improves efficiencies going from Gate 1 to Gate 6 is better. As far as input, I am okay with gathering the input at regional meetings. Is there something after that? Are you going to take it and run with it? Looking around the table you have people here who have dealt with the Forest Service. We reach out to our members and provide feedback to you. I don't want to slow this process down in becoming more efficient because it is a long process of getting to these issues.

John: There is a next step. September and October is when we are gathering that additional input from employees as well as partners and stakeholders. We will look to roll all that up in November and that becomes part of our comprehensive rollout strategy that I mentioned that we rollout. That Gantt chart that I showed earlier, where we roll that out in the winter of 2019, February or March. This will be part of that strategy, where we will say that we spent 1 1/2 years building what it is that we need to work on and now let's continue to work on it. This is our strategy. So that input will be a part of that.

This is Dave Cawrse. Tim, you mentioned efficiencies in Gate 1 through Gate 6. Actually we had a Gate 7 at one time- Sale Administration- and if you want to call it Gate 8, delivery to the mill. We want to look at all of those things. When we started this process we called it a farm to table, the table being the mill. And there are things that we can do in sale layout that may increase costs later on. The best example is designation by prescription. We can do sale layout quicker, but when you talk to our sale administrators you just doubled my sale administration time, or you talk to the purchaser out there logging, and the complexity of the sale is such that I have to check basal area or check the residual stand conditions, and you just doubled my harvesting time. So we want to make sure that what we think of as efficiency in one of the earlier gates isn't offset later on. And if you are there in a cab and the tree is marked or not marked, it is very clear what you harvest. DbyP has a complexity to it that we need to recognize, and if we are going to be successful, that's part of the reason we started our training program. We don't want pages of marking guides to give to a purchaser. It's not stopping at Gate 6, but afterwards on the delivery of that product.

Druator: Nothing is going to be perfect because we're managing forests, but you have to put some faith in the operator of that machine to do operator selects without putting tree marking paint on there. I would like to know how that increases sales preparation costs. Because now you have one man going out checking to make sure things are okay. If there's trust there, he doesn't have to go out there every day. He can go out once a week if there's trust there. If we are not being trusted for what we're doing on the ground then yes, your prices will go up. Nothing's going to be perfect. It never has been.

Dave C: All I have is anecdotal- I talked to a sale administrator on the Arapaho-Roosevelt. How often do you go out on a tree measurement to mark a sale? He said once a week. I asked how often do you go out on a DbyP, he said twice a week. So I said your sale administration costs doubled; he said yeah I

guess. Part of it is working with the operator and partner wants them out there too. They don't want to have over half the stand harvested and you're missing the target conditions.

Druator: But you've got one man going out checking the job twice a week instead of five employees going out marking timber. What I'm saying is I can't see how that is any more expensive to the agency than putting paint on trees.

This is Imbergamo again. I think what this is revolving around is, in some instances it is growing pains, in terms of getting used to it, making sure that you have scaling or weight scaling or whatever it is at the far end that is making sure you have timber accountability. You will get through all of those things. They'll probably figure out on the Arapaho-Roosevelt that they don't need to be out there twice a week. But the bigger issue is the Forest Service getting to the point where they are no longer treating the concern of a 12 billion bf Douglas fir sale program, where the government's chief concern and interest is payment and avoiding timber theft versus restoration sales where you are selling commodity wood to achieve forest stand conditions. That is kind of abstract. I'll put it this way: don't make law enforcement issues out of contract administration issues. That's a cultural shift. I hear far too much about contract administration issues becoming law enforcement involving themselves in something that could be worked out between the sale administrator and a purchaser. You're never going to get the acres touched in restoration that you need to if that is how it is handled. I'll give one anecdote. It was a skid tree on a skid trail on the Chequamegon-Nicolet. Three people went up from Milwaukee. I think it was \$1.57 and law enforcement was involved. And the FS got paid \$1.57 for that tree. That did not protect the government interest. That wasted a lot of time. That is the cultural change necessary.

Great point. Any other feedback online or in the room before we move on to this question two. Okay. For question two if you could do one thing to improve the Forest Service's business practices and the delivery of forest products, what would you do? I would like to impress upon our partners that are joining us online to answer this question. Partners if you would please raise your hand using the hand raise function to answer this question. Hopefully I will start seeing some hands being raised Okay. Nothing yet. In the Yates Building if you could go Round Robin in the room.

Start with Tim.

Tim O'Hara: Pass the Categorical exclusion in the House version of the Farm Bill. Aside from that I think just doing what you're doing, looking at markets and trying to be more efficient. It takes a long time to put up the NEPA process, it takes two years or something. Anything they can do to shorten that timeline and become more efficient will help you increase your timber products and acres being treated. Just keep improving the efficiency.

Great. Wendy can you run the round-robin there?

I can.

Dructor: I think a great starting point would be to take your folks out into the field and observe how private industry has been managing their forests efficiently for the last 100 years and get up into the 21st century with the rest of us.

Andrew Dodson from the American Wood Council: I am too new to my job to comment at this point. Appreciate the opportunity to learn more.

Tristan Daedalus from AFF: Mostly we deal with private lands, and I think there's similar thread there in terms of paper markets and low-value materials, so I would probably focus on that.

Henry Schienebeck: I think with a lot times we tend to focus more on the process than the end result. If you're a logger, you never want to run out of trees to cut. Our mission is protecting forests and enhancing life. We talk a lot about process and how to make that management happen. Wisconsin has 32 counties that have county forests and they do an awesome job. They put millions of dollars back into the local economy. They hit all of the targets of recreation, social impact, environmental impact and timber supply. And they do a fantastic job of it, and that's probably that 20-page contract I'm talking about. But the result on the ground is what matters, and I think that's what really matters to the general public that wants to use that multi-use forest for different things. So improving those efficiencies and looking at what the end result is and maybe not so much the process of getting to the end result, which I believe is what you're doing here with the modernization process, is really a step in the right direction.

Cecilia Clavet with the Nature Conservancy: We are probably on the same page as Tristan focusing on low-value wood. I know we have a lot of folks on the ground who I am sure will offer input in this process along the way. Lots of input. But the one that comes up a lot is the markets.

Imbergamo: I guess my recommendation is to know your customers an addition to knowing your partners. Loggers buy probably 60 to 70 percent of the sales that you put up and wind up delivering to my member mills, I have logger members too, but loggers are your customers to a larger degree in terms of who is buying the contract. So partnerships are great, but you need to treat your customers like partners. And if I can give a second one, that's mark two or three more trees per acre.

Thank you.

Wade Salverson from BLM: I appreciate you guys inviting us here today because I think we can also learn from what we are hearing. We have our own agency timber programs to critique and I've heard some valuable insights. I think the culture thing is something that we are looking at too. It can be a challenge to communicate to the field that sometimes we have to accept slightly less than ideal to get some of these efficiencies so it is a big challenge and we are looking at a lot of the same processes as well as the NEPA drill that you all are going through. Thank you for inviting us.

Thank you.

Nothing more to add to that.

Any more comments in the room?

I'd say look within. You have some successes out there. I've seen an EA take six months, I've seen others take three years. Look within where you were successful, the Chequamegon-Nicolet is an example of putting out quality work in a short period of time.

Dave Cawrse- Question for Danny. How can we learn from a private industry? We talked a little bit about a year ago about doing ride alongs and perhaps seeing how the industry manages –obviously particularly around technology. Do you foresee any methods or ways to have that happen?

We've already invited you guys out. If you want a field trip, you can sit down and talk to the owners, talk to the land managers, the companies. I'd like to add to what Bill is saying; we might be buying 60% of timber but we're harvesting 100% of it. How are you going to learn what we're doing today if you are not out there riding in the cab with us? The same with technology. We got on the phone and talked about what all can be done, product separation, accountability, weight scaling and all those things that private industry has been doing for years. Sure, you're going to have thieves steal timber, not loggers. You're always going to have that problem. But the majority of wood cut by loggers isn't going to be stolen and the markets are so bare now, where are they going to take it if they do steal it? You're going to have weight scaling, bar codes, all those things that you can do on the ground to make yourselves more efficient, but you have to start utilizing them somewhere. You can't just say we have the Farm Bill, we have this authority now; it has to get down to the ground. I think communication is another big thing, from the DC office all the way to the ranger district. It is taking way too long to get the authorities to the ground, and you have too many people that are afraid they will lose their jobs if they start utilizing them. "I don't want to go to jail". That was a comment made by the district ranger when we talked about using these authorities. You can speak to private industry or land management. What are you doing? We are doing operator select. We tell the contractor that we want this cut down to 100 basal area and he is doing it. I have 10 factor prisms that I gave my shear operator. Just get out of your machine, make a round, check it. And also, we are not cutting the biggest and the best, we're taking the garbage. It's about stand improvement. Those things have been going on for the last 30 years and you guys are still wanting to put paint on every tree. It is so inefficient. And weight scaling, you have to start using that if you're going to get more done.

Dave C: I mentioned earlier that when we had the solution teams, there were some regional recommendations. Region 1 in Montana has been using weight scaling for years. I did forward the comments to the directors in Region 8 and Region 9 about weight scaling in our eastern areas and the opportunities for that, so hopefully we can get that going.

Henry Schienebeck: If I could add a little bit to that. We have a rag-tag group called the Federal Sustainable Forestry Committee. We've had some good discussions with the Forest Service who are a part of the group. Just going back to when Good Neighbor Authority was first kicked in we had a meeting and we were talking about it and the Forest Service people felt terrible about Good Neighbor Authority because it made them feel bad that they couldn't get their job done and put the timber up for sale and they took that personally. Once we worked through that and they understood that we're not here to hurt you, we're here to help you get the job done, it went much faster after that and that is why we're seeing some of the results that we are seeing now. We go out annually with that group, and we're

talking about why is this tree marked, and if we're not coming back into this stand for 35 years, why are leaving a 40-inch basswood there? Aren't we taking it now when it has value instead of coming back? And we've talked about that paint. That blue paint shows up well unless you're color-blind. Even if it does have a tracer, if you can't see it, it isn't worth a darn. I think that having those cross-trainings and we tried to do them with the loggers to understand who in the agency who has the authority to make the decisions, who to put a call into, how we handle issues that has been helpful. You can see the results because we are getting pretty close to the ASQ on the Chequamegon-Nicolet and I see that improving more moving forward because of that.

This industry is pretty good at resisting change too, so it's not just you guys. Good Neighbor Authority, stewardship contracting, we push back on those things, but they're working for the most part. How about forest wide environmental assessments—for red pine thinning, Aspen clearcutting? If you're going to treat that stand once every forty years, fifty years. Why can't you do a forest-wide EIA? That is something to think about.

This is Chris Iverson, Acting Director of Ecosystems Management Coordination. I will respond to the first part of question. Going forest-wide on a programmatic EIA is a stretch, but we do have, under what we're trying to do with this culture change, is look at larger landscapes. Whether it's 4FRI, large, hundreds of thousands of acres at a time to clear more acres under the same decision, so your efficiency costs go down. On the other hand, we are trying to streamline this, either through process or through CE. We are reforming our CFR 220 our NEPA regulations and trying to add new categorical exclusions, Farm Bill. We are trying to add new categories to make it more efficient in smaller clearance documents with opportunities for restoration. We are looking at lots of avenues to be more efficient. Whether it is more tools for the CE, or more efforts to increase the landscape scale of environmental analysis. But to go programmatic, forest-wide, will be a bit of a stretch to clear, site-specifically at that large of a scale, and as you mentioned, NEPA probably has a shelf life of about 4-5 years for freshness. So we had to find the sweet spot. How big can we get, site-specific and operate within a regional time frame to maintain that freshness. It's finding that appropriateness.

Dave Cawrse: I don't have all of the details but with 4FRI, didn't they do 1 million acres under one EIS, and now issue task orders. The prescriptions follow the restoration for Ponderosa pine, and then you have your archaeological clearance and so forth as the task orders are issued. I don't know if Dick Fleischmann is on the call, but when we were down there, that was a big area to do and they're operating with a million acres.

This is Dick Fleishman. We did do the first EIS that was just under 1 million acres and we are doing a second one at 1.2 million. What we learned from the first one was that we were too prescriptive and that tied our hands so we're looking at a more flexible toolbox approach for large-scale NEPA. It is very doable but it takes collaboration and a lot of people pulling in the same direction.

Thank you Dick. Unless there's anything else on the second question, we've have already started to touch on the third question. I will just read it. What practices, process or implementation tool from state or private timber operations would you recommend the forest service consider in order to achieve

forest restoration objectives? We touched on this about riding in the cab of but is there anything else out there?

Imbergamo: The private sector isn't going to have NEPA, but I guarantee you they achieve their stand objectives on the entry that they plan. They don't plan out that we are going to take this down to X basal area and then mark it and leave it 20 percent higher. They hit their stand objectives. What we routinely hear from crews on Forest Service projects is that they routinely come up short of what's in the cleared NEPA. So make sure that the contract and the sale administration does what the NEPA says, and what you've gotten the region and the bureaucracy and maybe even the courts to agree to, make sure that is what you do. Don't write a contract and mark a sale that falls well below the NEPA goals.

I can tell you from the contractor's position there is nothing more expensive than the contractor having to move back in and go back through the entire standard because he didn't take enough the first time. I can tell you that from first-hand experience. Once you tell us what we need to do, we're going to do it.

Are the thoughts out there on practices, processes or implementation tools from state or private timber operations that the Forest Service should consider?

Henry Schienebeck: I'm just anxious to see how Region 9 turns out with the scaling. It is unfortunate that the timber that was put up was a lot of small diameter pulpwood that in the market we can't sell in small diameters. The counties do it, and the state does it and it works very well and I think that we finally got someone to purchase the sale so we will see how that works out for the agency and how it will move forward because I think that can be a real tool in our area for those exact types of timber sales if we're given the leniency to do that on a regular basis and not over complicate the system. This is in Washington County, Wisconsin.

Dave Cawrse: What about state contracts? I met with a purchaser in forty Collins and he showed me a contract with the state of Colorado that was just a couple of pages that sells timber by the acre and doesn't estimate volume by the acre. Are there any examples like that that you can think of that you might want to share with us?

What the exception of the forests service, every timber sale that I have purchased have been by the cord or the board foot. I just have to have a formula to convert units back to board feet. I don't know the whole history behind that, but I'm sure there is one. State and private and county sales in our area are by the cord and not a lot by the ton. That's is how we buy and sell it.

Imbergamo: I think you should look at every state and county contact that you can and see what you can learn from it. But they have a very different mandate. Usually you trust mandates, and they operate under state laws that are far less complex. You may find that you can get adequate security, you can get adequate allocation of liability between the purchasers and the Forest Service with a much shorter contract that what you have now. But I would say that in terms of contracts, to us making big changes to contracts is a pretty low priority versus a better sale program that is consistently offered and consistently operable.

Ben Irey: That is great feedback. Anymore on things the Forest Service can have a look at to innovate their practices? Okay. Any other questions or suggestions out there before we move on to the leadership closeout? Okay. I would just have one for you all of real quickly. Feedback on the session. We will be doing three more of the sessions within the regions. Anything we can do differently for these sessions that would better elicit partner feedback in the future?

Change the date for Region 8. Most of the logging companies that are going to sign contracts with the Forest Service, their leaders are going to be at Danny's national meetings with the chief on the date of one or two, of the sessions. Region 9 as well. It's October 12<sup>th</sup>, a Friday during hunting season.

Wendy, Ashley, John, Dave, anything else before we move on to the leadership closeout?

Nothing from me.

Okay, John why don't we take it away on your closeout?

### **Leadership Closeout (John Crockett)**

We really appreciate the opportunity to engage here in the room with us nationally as well as online. As you just heard in conversation there are many things that you can be engaging in and we are really appreciative for everyone taking the time out to help us set up a structure and a system that will be relevant for the next 100 years hopefully. It is always a tough spot to start whenever you want to make a change or shift something. There is a concept of, bring everyone to the table so we can figure it out together and then there is the idea around, let's put something together so people have something to throw darts at. And so this was the way we looked at it within this modernization work. What is it that we can help identify as needing fixing or adjusting and then put it out there to test with others to see if we hit the mark with what we thought our own internal struggles are? That is the route that we took so this was an opportunity for you to give us feedback on all of those things that we have been wrestling with internally and daylighting on our own. We have the opportunity through this next round of regional engagements, if we can get the participation, to take that feedback and incorporate it into either the Directors Top 10 or the other priorities that we put together and make some adjustments, because these items aren't marked in concrete. They are not marked in stone. To hear some direct feedback from you guys like "you need to pay more attention to markets", that is huge for us. That is definitely something that we will be taking into consideration to elevate it to a higher level. Hopefully we will get the same level of input on what is important at the local scale that can be pushed up so we can hear more at a national scale. So I appreciate that feedback. The thought around how to learn from others, whether it be states or private or county organizations, we are open to that. One of the things that we looked at when we started this was, how do you do some learning journeys? And learning journeys, not even for people that are in the forest products industry, but people that are looking at change and how to make change effective and lasting. That has been on our to-do list. We have done a couple of them but we have the opportunity to do more and track this change process. So once again, we appreciate the feedback.

So here are our next steps. We will continue these engagements. We've already mentioned employee webinars and regional feedback sessions. We will take that information in October and November and December, analyzing it and including it as part of our comprehensive report and rolling it out in the early calendar year next year. Here is how you can stay engaged. You will get a copy of the slides that will have this information. This is our external-facing website that will have the documents that we produce. We produce a Forest Products Modernization At A Glance, which is a snapshot of the products that we are making. Our Innovations Underway, that I mentioned earlier, that is on there as well and a lot of other communication material all on the external webpage. If you get home and have a bright idea that you forgot to bring up today or something that you want to get in the room and be a part of the conversation, send an email to our Forest Products Management inbox: [forestproducts\\_modernization@ms.fs.fed.us](mailto:forestproducts_modernization@ms.fs.fed.us) . Or you can send anyone on the leadership team an email as well.

Lastly is the contact information. Chris French is the Deputy Chief. He was our Deputy Chief for the national forest system and used to be on the Staff is Deputy Director. Rick Smith is our national policy reform lead. The six changes in initiatives that I mentioned, Greg is managing all of that. Allen Rowley is now acting Associate Deputy Chief and I myself am the Acting Director. If you would like to engage in one-on-one conversation feel free to reach out to any of us. That is all I have.

Thank you John. A final reminder we are recording this webinar and I will be sending out a link to in an email to everyone that registered. I will also include the PDF of the PowerPoint presentation. I want to thank you for your participation. I enjoyed the robust dialogue and discussion. As a reminder we have an optional session this afternoon starting at 3:30 PM Eastern time. Thank you again for joining us here today and I wanted to follow up with a comment from Karen in the chat box. Just one suggestion for the sessions. She wasn't sure what the invite list look like for the regional workshops but she thought it would be a good idea to include participants beyond representatives and purchasers. She believes there is more diverse partnerships. Thank you for your feedback again, the forest service will find a very helpful for forest products modernization. Thank you and have a wonderful day.

Thank you.

**Adjourn**