

May 27, 2010

MFRC hosted Roundtable discussion

Participants: Mike Drewiske – *USDA Rural Development (by phone)*, Chuck Roady – *Stoltze Land and Lumber (by phone)*, Gordy Sanders – *Pyramid MTN Lumber*, Bruce Fox – *R1 Forest Service*, Tom Martin – *R1 Forest Service*, Ellen Simpson – *MWPA*, Jason Todhunter – *MLA*, Jim Lewis – *MRL*, Mike Halligan – *Washington Corps*, Steve Hayes – *BBER*, Larry Anderson – *Congressman Rehberg's Office*, Bob Harrington – *State Forester*, Al Christophersen – *RMEF*, Tracy Stone-Manning – *Senator Tester's Office*, Julia Altemus – *DNRC Forestry Division*

Facilitator: Marcia Hogan – *Hogan Facilitation Services*

Notes: Julia Altemus – *DNRC Forestry Division*

Introductions

Status of critical items

- **Sort yard and transportation**

Jim Lewis said that MRL is actively looking for opportunities for MRL to assist in moving chip material. In his preliminary findings, he is cautiously optimistic and will be relying on the expertise of the Roundtable as questions and need for information arises.

- **Letter to bankruptcy court**

Letter to court was not sent as we did not hear whether the bankruptcy attorney thought the effort would be useful. SSCC recently reached deal to end bankruptcy. The equity shares had not been dealt with. **Julia will send the deal announcement to the Roundtable.** The judge will probably not make a decision until the next June 22nd hearing. The Michigan Governor sent a letter to the court that made a difference. Gordy suggested that our Governor send a letter. Julia said that she thought our Governor did send a letter early in the proceedings, but will check and see if we can get a copy of the letter. Al wanted to know if eminent domain is useful in this case. Mike said that yes, but would have to pay fair market value, valuing the plant has been an issue. **Julia will contact the congressional delegation staff about a letter from them.**

- **Additional opportunities for Jumpstart ARRA**

Bruce, the real limitation for jumpstart dollars is the fact the legislation has a limit of \$250 million to go to State and Private Forestry. The fund has been allocated and no one is turning money back. 64% the ARRA dollars the FS received for infrastructure has been obligated of the \$122.6 million to the region. **Bruce will resend the web links that has all the ARRA funding.** There isn't any additional funding for Jumpstart type projects. There may be a point when there will be dollars, but there isn't any additional funding for Jumpstart type projects right now. The RO is being asked to identify surpluses, which may lead to additional dollars later. Ellen and Jason went before EQC to make the pitch for some of the \$28 million surplus in the fire account.

Several of the EQC legislators had gone to the budget office to put money into jumpstart as well, and was turned down to help pay for this year's fire suppression costs. **Tracy relayed the Lauren from Senator Baucus' staff is searching for dollars outside of ARRA for Jumpstart.**

- **Bonding** – SBA is writing rule changes for performance bonds not payments bonds, but rule changes will be submitted to the federal register. Performance bonds will help with some Stewardship Contracts, but we **still need to fix the payment bond issue.**

Committee reports

- **Private sector opportunities** – Jason the reason this group was formed was to preserve the logging infrastructure – we still have a good trained workforce that still needs more work. Mike, USDA Rural has been busy allocating significant (\$9 million) ARRA grant funds. (Doesn't look like congress will extend the ARRA program dollars). Busy with rural business enterprise program of \$266,000. Requests coming across his desk are requests for technical assistance and training. Renewable energy/energy efficiency program is very busy this time of year. These funds assist small businesses or ag producers in rural areas – guaranteed loans and grants.
- **Legislative and Grants Committee** - Al said he talked to his contact in Wyoming and he will come and talk to us about the Wyoming Natural Resource Trust Fund, which is a \$250 million capped fund, with the interest being used as an endowment to do habitat conservation work. Pat Bousliman from Senator Baucus' will be here July 5 or 6th to meet with the group, **Julia will contact Lauren.**
- **Administrative/Government Committee** – Bruce is still working on utilization standards for biomass material. Until the market improves, deck the material and leaving it on site for future opportunities. FS has also modified the top sizes but left up to forests if they can move the material. Bruce updated on the bark beetle strategy, Jane Cottrell went back to DC to work on a national bark beetle strategy. Still does not have the strategy, but hopefully soon. R1 is implementing an incident management style approach. Breaking into a number of branches, including health and safety, recreation, infrastructure, power lines, roads, restoration and resiliency. This group will be meeting June 6th to discuss high priority areas which are Lewis and Clark, Helena, B-D. They recently funded a theater-wide assessment on power lines and ski areas and campgrounds. Funded two large NEPA contracts. Bob mentioned HJ1 the Biomass study and recommendations from the EQC and the Northwest/Porter Bench biomass feasibility study. Average \$54 million for a 20mwgh facility. Price of power is low right now and price of biomass is high. Tracy said that her office has been working on amassing one document that has all the one-stop shopping for funding opportunities on biomass. **Tracy will send an electronic version for people to look at the draft.**
- **Next Steps**
Does the group want to continue to meet and for how long? Al suggested we meet through the end of the year. In light of the work MRL is undertaking, this is an appropriate timeframe. Mike suggested we need to get a full-court press on the congressional governor's letters. **Dick King needs to report back on what they are doing to find a buyer of the SSCC site.** Ellen, we are shrinking in numbers. We need to go back through the short-term, mid-term and long-term

items as a reminder. Julia suggested we touch base with the group to determine who has the time and interest to stay engaged with this effort and to reassess if we have the right people at the table. As work plan tasks change or escalate, we may need to broaden the Roundtable participants.

Next meeting – Tentatively set for July 6th in order to meet with Senator Baucus energy/finance staff.