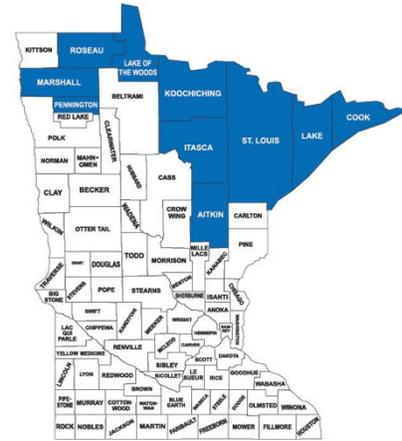


# NORTHERN COUNTIES LAND USE COORDINATING BOARD



February 24, 2022

Mayor Greg Hagy  
City of Cohasset  
305 NW 1<sup>st</sup> Ave.  
Cohasset, MN 55721

**Re: Letter of Support, Frontier Project, Environmental Assessment**

Dear Mayor Hagy:

The Northern Counties Land Use Coordinating Board (NCLUCB), a 10 county joint powers organization, wishes to express our support for your role in completing the Frontier Project Environmental Assessment (EAW) as the Responsible Governmental Unit. The EAW is thorough, comprehensive, and objective.

The NCLUCB Mission Statement reads: "...to provide leadership and support on regional issues of comprehensive land use and resource management that meet the environmental, social and economic needs of the people of the region." While we believe the Environmental Assessment Worksheet is a compelling and comprehensive justification for supporting this project, NCLUCB members believe it is important to outline our own reasons for supporting it. It is from the perspective of the mutually interdependent regional environmental, social, and economic factors that we offer the following affirmative analysis.

**Environmental component:**

The 1994 Generic Timber Harvest and Forest Management environmental impact statement (GEIS) resulted in two significant legislative initiatives: creation of the Minnesota Forest Resources Council and the Sustainable Forest Resources Act. While the GEIS and subsequent legislation did not then contemplate Climate Change as an existential threat to our forest resources, the stated policies are a relevant template by which to address this ongoing crisis generally, and the Huber/Frontier project specifically:

## MSA 89A.02 Sustainable Forest Resources Act

- (1) *...pursue the sustainable management use and protection of the state's forest resources to achieve the state's economic, environmental and social goals;*
- (2) *encourage the cooperation and collaboration between public and private sectors in the management of the state's forest resources.*

## MSA 89A.03 Minnesota Forest Resources Council

*Subd. 2 "The council must develop recommendations to the governor and federal, state, county and local government with respect to forest resource policies and practices that result in the sustainable management, use and protection of the state's forest resources."*

In framing our response to the environmental component of our mission statement, we relied heavily on two reports: Forest Resource Council publication "Climate Change and Minnesota's Forests" and the Minnesota Department of Natural Resources assessment "Timber Harvest and Forest Management 2019." These guidance documents affirmed the essential role that the forest products industry will play in accelerating forest management practices to promote carbon sequestration. We quote extensively from these reports to document the objective analysis by which we arrived at our affirmative conclusions regarding the Frontier EAW.

### **Climate Change and Minnesota's Forests<sup>1</sup>**

#### Policies and findings:

- "Maintaining and developing forest products industries which amplify the storage of carbon through long-lived wood products will be an essential component of any forest carbon strategy... including innovative engineered wood products and construction materials."
- "The timing of harvests should be planned and structured so that the impact on forest carbon sequestration and storage potential is minimized, ideally when forest productivity and potential carbon sequestration has slowed."
- "Forests that are fast growing and short lived, such as aspen, sequester carbon quickly in their early years and only exhibit modest increases in carbon sequestration after age 30."
- "Because long-lived wood products can provide opportunities for carbon storage beyond the ecological lifecycle of trees, encouraging the production of these products via policy is a tool by which Minnesota can increase carbon storage. *The production of long-lasting, wood-based products for the construction industry may represent a particularly advantageous market opportunity.* Engineered timber products, such as oriented strand board (OSB)...may provide the construction industry with materials that provides

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<sup>1</sup> Minnesota Forest Resources Council, "Climate Change and Minnesota's Forests", Research Advisory Committee, 2020.

dimensional stability, tolerance, and performance standards while also storing forest carbon in products long-term.”

The Forest Resource Council report essentially concludes that a mill manufacturing long duration construction products based on harvesting aspen at the end of its most productive carbon sequestration cycle (50 years) is an effective model for addressing Climate Change. The Minnesota Dept. of Natural Resources Timber Harvest and Management Report demonstrates the need for expanding the forest products industry to actively manage sustainable forest resources:

### **Minnesota Timber Harvest and Management Report 2019<sup>2</sup>**

- “Recent reductions in aspen harvest levels have resulted in harvests well below long-term sustainable levels.”
- Long term aspen allowable annual harvest is 2.4 million cords while current harvest levels are approximately 1.4 million cords.
- “Many acres of aspen and balsam poplar forest-type on private land are at typical rotation ages (40-60 years).”
- “Aspen-birch decline continues. These stands should be harvested to avoid additional volume losses due to top kill and mortality.”

From an environmental perspective, NCLUCB concludes that the Huber/Frontier OSB mill proposal is a key element for implementing an effective Climate Change strategy for Minnesota forests. The Huber/Frontier OSB mill will:

1. Capture a significant portion of currently underutilized aspen and related wood species.
2. Provide market-based incentives to encourage private forestland management which may otherwise continue to age and decline beyond their peak carbon capture capacity.
3. Provide essential revenue to state and local forest managers to promote and implement sustainable forest practices on both public and private forest lands.

**Economic Component:** Market is Management.

Management of Minnesota’s forests depends on viable and stable markets. The 25-year decline in the state’s forest products industry is well documented: closure of several OSB mills, the production reduction or outright closure of several paper mills, the dramatic employment losses in the industry and commercial logging sector, and the resultant economic impact on communities throughout the region. Less well understood is the impact of falling market demand for forest products on the health and productivity of the state’s forests for a variety of

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<sup>2</sup> MDNR, Forestry Division, Utilization and Marketing Program, Timber and Management Report 2019, pub. 2021.

ecological and recreational values as well as marketable products. Falling demand and the underutilization of many species today means fewer foresters and loggers in the woods to manage those forests, increasing hazardous fuel loads, loss of carbon storage potential, inability to remove and rehabilitate stands of trees killed by insects, risk of losing water quality benefits from sustainably managed forests, and conversion of privately-owned forested land to agriculture or other uses. The Huber/Frontier Mill will encourage the logging sector to invest in additional state-of-the-art harvesting equipment, ancillary mill support businesses to expand, provide tax revenues for public forest land management and encourage private landowners to improve management practices on their lands as well. This capital investment may also generate a host of other commercial forest products research and development: bioenergy, biofuels, chemical cellulose, wood extractives, and/mass timber.

### **Social Component:**

The forest products sector workforce in the NCLUCB region can be characterized as both declining in number and growing older. While jobs have declined, the percentage of the remaining workforce between the ages of 55 and 64 has risen by 60%.

According to statistics compiled by the Minnesota Department of Employment and Economic Development (DEED), the labor force in the Forest Products Sector has experienced a deep decline over the past twenty years. Overall employment in this sector has fallen by 50% since 2000 and the engineered wood products sector has lost 75% of their 2000 employment cadre. In an article written prior to the Huber/Frontier project was announced DEED stated:

“The Forest Products Industry is expected to continue cutting jobs in Northeast Minnesota in the near future. According to new regional employment projections, Wood Product Manufacturing may decline another 45 percent over the next decade, followed by an 18 percent reduction in Paper Manufacturing, although that would actually account for a larger number of jobs lost. Forestry and Logging is projected to fall just 5.8 percent.

Even if the industry continues slicing jobs, there will still be openings caused by retirements and turnover. With data showing there is less than one jobseeker for every job vacancy in the past year, there is intense competition for workers in Northeast Minnesota – especially for common occupations like heavy and tractor-trailer truck drivers, maintenance and repair workers, mobile heavy equipment mechanics, and laborers and freight movers, which are in high demand in other industries as well.

Likewise, office occupations like secretaries and administrative assistants, bookkeeping and accounting clerks, office clerks, sales representatives, and general and operations managers are also in high demand in industries across the region. Twenty of the top 25 jobs in the forest products industry can be secured with a high school diploma or equivalent and some level of the on-the-job training, while just three require vocational training and two require a bachelor’s degree.”<sup>3</sup>

The positive social impact to our rural communities that Huber/Frontier Project could bring include: employment opportunities, expanded job skill training through the regional community college system, and long-term job stability within a volatile employment sector.

After a thorough review of the Frontier Project Huber Engineered Woods EAW, NCLUCB believes the Huber project would be environmentally, economically and socially

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<sup>3</sup> Minnesota Dept. of Employment and Economic Development, “Logging In: Northeast Minnesota’s Forest Products Industry” January, 2019.

transformational for our region. The EAW is comprehensive and complete and we urge you and the city council to support its adequacy with an affirmative vote.

Thank you for your consideration.

Sincerely,

Ann Marcotte, Chair

Northern Counties Land Use Coordinating Board