



**FSC Certification Report for the
2009 Annual Audit of:
Mendocino Redwood Resource Manager Certification Program
Certificate Number: SCS-FM/COC-00001GN**

**Under the
SCS Forest Conservation Program
(An FSC-Accredited Certification Program)**

**Date of Field Audit: October 8-9, 2009
Date of Report: November 24, 2009
Updated January 21, 2010**

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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website (www.scscertified.com) no later than 60 days after the report is finalized.

1.0 GENERAL INFORMATION

1.1 CONTACT INFORMATION

Mendocino Redwood Company

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Calpella, California 95418

Contact: Mike Jani, MCP Umbrella Certification Program Director

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1.2 General Background

This report covers the second annual audit of Mendocino Redwood Company Resource Manager (MRCRM) Certification Program pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in September 2007 (SCS-FM/COC-00001GN). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website www.scscertified.com.

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or corrective action requests
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

At the time of the October 2009 annual audit, there were four open Corrective Action Requests and one recommendation from the 2008 annual audit, the status of MRCRM's response to which was a major focus of the annual audit.

1.3 Guidelines/Standards Employed

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Pacific Coast Regional Standard Version 9.0, which was endorsed in May 2005.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

A total of three person days was spent on the surveillance audit, which included both the office and field portions, stakeholder interviews, reviewing documents, and writing the report.

2.2 Assessment Personnel

Kyle Meister, M.F. – Lead auditor, Scientific Certification Systems. Mr. Meister is a Certification Forester with Scientific Certification Systems. Recent audits include Swanton Pacific Ranch, True North Certified Forestland Network, St. John’s Abbey, Collins Kane Hardwood Division, and Main International, S.A. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan. He also has a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. He has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, and Colombia.

2.3 Assessment Process

The scope of the October 2009 annual audit included document review, the auditor spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders. Of Mendocino Redwood Company personnel, the auditor primarily interacted with Mike Jani and Sarah Billig, the primary management personnel involved in the coordination of the MRC Resource Manager Program.

The site visits of the 2009 annual audit were conducted during mid-October 2009, with follow-up dialogue with MRCRM staff and outside stakeholders.

Mr. Little recommended visiting the Whittaker property because they are a new member of MRCRM.

October 8, 2009

8:30am – Opening meeting at MRC Forestry Office

- Overview of Group Management Program – contracts, purchase order agreements, management plan/NTMP, and checklists
- Review of Jackson State Forest inclusion
 1. All harvested areas are in the MRCRM group
 2. Public review process – Board of Forestry – 3 year Timber Harvest Plans (THPs) where silviculture is dictated as to allow for future alternative uses of the forest and generate income.

3. Jackson State Forest Advisory Group (JAG) – 12 members to create management plan for a demonstration project to include multiple uses and benefits from the forest in recreation and forestry.

11:00 am – Jackson State Forest

- Brandon Gulch THP
 - Originally slated for selection cut, but turned into commercial thinning
 - Logging conducted by Andersen Logging
 - Riparian areas not entered
 - Retention of Douglas-fir, Redwood, Madrone, Tanoak, snags, and down woody debris
 - “Lopping” used as a tool for promoting soil protection, decay of woody debris, and aesthetics
 - 3 workers interviewed receive CPR/First Aid training every 2 years.
- Northfork Spur THP
 - Site #1 – Commercial thin to restore species mixture through the reduction of Douglas-fir
 - Slash pack spurs/landings for recreational access concerns and for aesthetics
 - Cable yarding corridors kept small and pre-flagged with two colors for easy field identification of riparian areas
 - Firewood cull-logs left for public
 - Site # 2 – same commercial thinning, but still active
 - Cable yarder operation
 - Coordination between yarder and log loader operator good
 - Pile left behind for slash packing landing
 - Firewood cull-logs left for public

October 9, 2009

9:00am – Fashauer Cold Spring Ranch Non-Industrial Timber Management Plan (NTMP)

- Burned during 2008 lightning complex fires
- Emergency salvage cut notice granted by CalFire
- Mostly Douglas-fir removed during salvage cut
- Discussion with CalFire inspector, Ken Margiott – drainage features post-operations are in compliance (waterbarred and rolling dips installed)
- Retention of Douglas-fir, Tanoak, Redwood, snags, and downed woody debris
- Redwood is resprouting nicely
- Stand will re-seed naturally with Douglas-fir, will supplement with 15x15 underplanting of Redwood
- Abundance of snags in some areas provides “dead shade,” which favors Redwood regeneration
- NTMP to be updated in approximately 2 years, depending on funding

2.4 Status of Corrective Action Requests (CARs)

Background/Justification: On the Whittaker property, there is an erosion control device that has a long wheel rut in it and is not draining properly, although on a positive note it is preventing sedimentation of the adjacent watercourse. There also is an old railroad grade with drainage issues at the entrance to an infrequently used landing. Furthermore, this landing is close to a public thoroughfare and could attract unauthorized activity.	
CAR 2008.1	MRCRM managers shall appropriately address all drainage issues on the Whittaker property as it is to be a 5-6 year harvest project. To help prevent these issues in the future, MRCRM shall develop clear road construction, maintenance and closing guidelines for landowners/ managers who might not be familiar with forest road BMPs.
Deadline	2009 Annual Audit
Reference	FSC Indicators 1.5.a, 6.5.h., 6.5.i. and 6.5.j.
MRC response	<p>The Whittaker property went through a Timber Harvest Inspection after the 2008 annual audit and all drainage structures were found to be in conformance to California Forest Practice Regulations. In addition, the MRCRM manager requested that the RPF responsible for the Whittaker NTMP incorporate the “Hand Book for Forest and Ranch Roads” by Weaver and Hagans (1994) into the management plan. The MRCRM manager will use this book as a guide when evaluating the member’s forest operations.</p> <p>The MRCRM manager also took photos of the areas in question from last year’s audit to show to the SCS auditor.</p>
Auditor comment	The incorporation of the Weaver and Hagans Handbook addresses the issue of using forest and ranch road BMPs to prevent drainage and access problems. The photos show that the drainage features in the areas in question are intact and working properly. The MRCRM manager inspected the landing this year and there were no issues associated with unauthorized activity.
Status of CAR	This CAR is closed.

Background/Justification: Mike Jani is listed as the contact for and all correspondence is addressed to him for the MRCRM, even though the MRCRM program is now Jim Little’s responsibility. Mr. Little has the most direct contact with the group members now, some of whom are not aware of the personnel changes at MRC/HRC.	
CAR 2008.2	MRC must clarify the roles of Jim Little and Mike Jani in the MRCRM program and inform MRCRM members of any changes in these roles.
Deadline	2009 Annual Audit
Reference	FSC Indicators 4.1.a and FSC Group Management Criterion 1.
MRC response	MRC has amended the document “Operations Manual – Mendocino

	Certificate Program (MCP)” to address the roles and responsibilities of all parties involved in the program. In addition, we have completed a new cover letter (“FSC MRCRM group letter updated 110309”) to be sent out with any purchase orders that will cover the basic concepts of the Mendocino Certificate Program.
Auditor comment	The update of the program’s organizational chart with the names and titles of the MRC/HRC staff involved in the program and the description of the organization provided on pages 7-9 satisfies part of this CAR. The updated cover letter informs group members of the management roles of four MRC/MRC staff in the program.
Status of CAR	This CAR is closed.

Background/Justification: The MRCRM program includes a monitoring program of its FMUs and Resource Managers (RMs), or those who manage forested lands on behalf of landowners. How MRC will incorporate the results of monitoring of individual RMs into management plans, program restructuring, new policy development, unexpected issues, and related themes is unclear.	
CAR 2008.3	MRC shall develop a method of incorporating the results of monitoring of RMs into its guidelines in order to assess and improve its program and associated policies.
Deadline	2009 Annual Audit
Reference	FSC Indicator 8.4.a
MRC response	<p>The following has been added to the operation manual:</p> <p>“Incorporating Findings and Recommendations Following the preparation of the Annual Report by the MCP Manager, the MFP/HRC log buying team will review the annual report to determine if any changes to the program manual are required. Any changes made to the program manual may require changes to the purchase order agreement, the cover letter that accompanies all purchase orders, or, if substantial enough may require communication with all MCP group members.”</p> <p>In addition, MRCRM has provided an outline for a monitoring report that contains a summary of acreage harvested by membership type (landowner, resource manager or landowner representative) and MRCRM site visits to group members in 2009.</p>
Auditor comment	<p>The new text included in the operation manual partially addresses this CAR.</p> <p>The sample monitoring report includes a summary of findings of MRCRM site visits to group members, any assigned internal corrective action requests, and special news to report. The report is concise and</p>

	should provide an easy way to communicate new ideas and policies to group members.
Status of CAR	This CAR is closed.

Background/Justification: MRC has no clear guidelines for managers on what information to reveal to the public on the results on monitoring. Furthermore, MRC's contract between itself and individual landowners/RMs does not indicate what results of monitoring can be made public and what information remains confidential.	
CAR 2008.4	MRC shall define what results of monitoring can be made available to the public while respecting the confidentiality and/or proprietary information of landowners and RMs.
Deadline	2009 Annual Audit
Reference	FSC Indicator 8.5.a
MRC response	<p>MRCRM has added the following information to the Operation Manual:</p> <p>“Availability and Distribution of Monitoring Results Following the completion or receipt of annual audits and monitoring report for group members, the MCP Manager will prepare a summary of these reports. Annual summaries will be reported on the MRC/HRC website (www.mrc.com or www.hrcllc.com).”</p> <p>MRC will review this information once a complete report and review of all 2009 operations is completed. The initial report should be posted on the web site by February of 2010 (as some operations may not be completed until mid-November, 2009). In the meantime, MRCRM has provided an outline of a sample monitoring report that contains the information to be included in the public summary.</p>
Auditor comment	SCS understands that MRC will need time to conduct its annual monitoring and to compile results for a complete public summary. The sample monitoring report, however, satisfies the requirements of this CAR as it provides a template for the monitoring reports. The fact that this report already contains data collected this year indicates that MRCRM is staying on task.
Status of CAR	This CAR is closed.

Recommendations:

Background/Justification: Mr. Little will further develop and expand MRCRM education, outreach, and monitoring programs during the upcoming year. In the current operations manual, there is no policy or procedure on seeking feedback from RMs and landowners.	
REC 2008.1	MRC should consider how to use these opportunities to receive feedback from RMs and landowners to assess its own performance.

Reference	FSC Criterion 4.4
MRC response	As noted [in response to CAR 2008.3], we will provide a request for an opportunity to provide feedback on the program and its implementation from group members (including resource managers, landowners, and landowner representatives).
Auditor comment	Until MRC provides evidence of such a request, this recommendation remains open.
Status of REC	Open

2.5 General Observations

MRC has demonstrated commitment to FSC Principles and Criteria for many years. Through the MRC Resource Manager Program, MRC has not only provided an incentive to implement better forest management practices, but also has helped local forest landowners gain access to markets for FSC-certified wood.

Recently, MRC and its partner investors started the Humboldt Redwood Company (HRC). As a result, there have been some personnel changes in both companies that have affected the MRC Resource Manager Program. Of note, Mike Jani and Sarah Billig are currently the main points of contact after the previous program coordinator was laid off. These rapid changes over a two year period jeopardize MRC's ability to exercise control over its group members and maintain clear channels of communication with them, as well as to expand the program into Humboldt County.

2.6 New Corrective Action Requests (CARs) and Recommendations

Major CARs

Nonconformity: Although THPs and NTMPs are temporarily available for a public comment period and the JDSF Management Plan is available for download, the MRCRM does not have a publically available summary of its group management plan.	
MAJOR CAR 2009.1	While respecting the proprietary information contained in management planning documents, MRCRM shall prepare a public summary of its management plan.
Deadline	3 months after the finalization of this report.
Reference	FSC Criterion 7.4
MRCRM Response	We have added our manual (which we describe as our management plan) as well as our monitoring report to our website. The address is: http://www.mrc.com/Key-Policies-FSC.aspx .
Auditor comment	Posting the group certification program manual and monitoring reports on the internet goes above and beyond the requirements of the standard. Both documents contain elements that fulfill the

	requirements of the public management plan summary. The objectives of the program are outlined in its philosophy and mission statement. There are descriptions of silvicultural methods preferred by the group program. There is a description of the types of participants in the program as well as the program structure. The monitoring report references recent activities of group members and their NTMPs or THPs, which are publically available documents that fulfil other elements of this criterion, such as maps, description of the resource to be managed, plan for the protection of rare and endangered species, harvesting techniques, and description of adjacent lands.
Status of CAR	As of January 21, 2010, this CAR is closed.

Minor CARs

Nonconformity: MRCRM's and its group members' rights and responsibilities in regards to oversight or approval of harvests conducted for non-MRC/HRC mills is not clearly defined or documented.	
CAR 2009.1	MRCRM shall define and document its and its group members' rights and responsibilities in regards to non-MRC/HRC harvests on group member properties and, if appropriate, create and implement a mechanism to approve and/or inspect such harvests.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 1.b. and 2.b.

Nonconformity: Under MRCRM's group management manual section titled, "Forest Owners/Representatives responsibilities," it is not clear who has access to group member properties and records.	
CAR 2009.2	MRCRM shall provide an explanation of the rights of access to group member properties and records by MRCRM, the certification body, and the FSC.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.iii

Nonconformity: MRCRM's group management manual does not provide an explanation of the certification body's and FSC's requirements with respect to public information.	
CAR 2009.3	MRCRM shall provide an explanation of the public information that it and the certification body are required to provide under the applicable FSC US regional standard and FSC regulations (e.g., public summaries).
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.iv

Nonconformity: MRCRM’s group management manual does not provide a complete explanation of obligations with respect to group management required under 3.a.v, a-e.	
CAR 2009.4	MRCRM shall provide an explanation of obligations with respect to group membership, including associated maintenance of records on monitoring, tracking systems, conformance to all CARs issued by MRCRM and the certification body, marketing or sales of products within and outside certificate, and any other obligations of group membership.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.v

Nonconformity: MRCRM has one record for an internal evaluation of the Brandon Gulch THP on the Jackson Demonstration State Forest, but, by its own admission, was unable to locate any others.	
CAR 2009.5	MRCRM shall ensure that it has up-to-date records to demonstrate the implementation of its internal control or monitoring system, including records of internal inspections, and any nonconformities identified or corrective actions taken to respond to nonconformities during such inspections.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 4.a.vi

Recommendations:

Background/Justification: A stakeholder presented concerns about the width and geometry of yarding corridors throughout the Brandon Gulch THP. SCS was unable to corroborate the stakeholder’s comments as it was unable to walk the entirety of the THP.	
REC 2009.1	MRCRM should maintain communications with this particular stakeholder on this issue and consider conducting a post-harvest evaluation to for further investigation.
Reference	FSC Indicator 7.1.c.2

Background/Justification: MRCRM currently uses a checklist based on the FSC Principles and Criteria to evaluate potential group members’ management plans. As it looks to expand the group into Humboldt County, MRCRM may become overwhelmed with plans to review and the checklist could slow the process. Furthermore, while reviewing the new group certification standards, MRCRM managers suggested training for group members on chemical use, high conservation value forests, and other important regional natural resource management issues.	
REC 2009.2	MRCRM should create an overarching management plan that details the basic components and/or policies that it expects group members’ plans to address based on the scale and intensity of their operations.

Reference	FSC Criterion 7.1
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Background/Justification: A major component of JDSF’s purpose is to demonstrate that livelihoods dependent on harvestable forest resources and recreation are compatible. There is limited harvest of NTFPs on JDSF and all sales are regulated by permit. JDSF intends to monitor the amount of permits issues by type (commercial or personal use) and use this data to assess NTFP collection trends. Some THPs are expected to allow for the collection of NTFPs. Where the potential for the collection of NTFPs is high and appropriate, JDSF should consider the following:

REC 2009.3	<ol style="list-style-type: none"> 1. JDSF should research opportunities to compare the purchase of NTFP collection permits to financial data related to NTFPs. 2. JDSF should consider monitoring the methods and intensity of harvests of NTFPs on THPs included in the MRCRM group as well as in areas where no timber harvesting is allowed.
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Reference	FSC Indicator 7.1.b.1
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Background/Justification: When MRCRM completes its update of group management procedures, group members may require training.

REC 2009.4	MRCRM should identify the training needs of its group members in relation to the implementation of the management plan.
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Reference	FSC Criterion 7.3
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2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that MRC’s management of the MRCRM Certification Program in Mendocino County, California continues to be in strong overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. While there remain aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that MRCRM’s forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as lands of MRCRM members are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted, subject to ongoing progress in closing out open CARs and subsequent annual audits.

2.8 Special Assessment Techniques Employed

In January of 2010, a new FSC group management standard takes effect (FSC-STD-30-005 (V1-0) EN). Existing group management programs will have until January 2011 to demonstrate conformance to the new criteria. As the MRCRM program is set to expand in the next coming two years and MRC is currently in the process of updating its program manual, the auditor felt that it was prudent to conduct a gap analysis of the MRCRM program relative to the new group management criteria in order to avoid unnecessary multiple revisions over this time period.

The results of this gap analysis are available in Table 2.1. All references to CARs are to those that cross reference with SCS' Group Management Standards.

Table 2.1. *Gap Analysis of FSC Standard for group entities in forest management groups (FSC-STD-30-005 (V1-0) EN).*

<i>Group Management Criterion</i>	<i>Possible Gaps/Non-conformities</i>
PART 1 QUALITY SYSTEM REQUIREMENTS	
C1 General Requirements	<ul style="list-style-type: none"> • 1.2: The group entity, MRCRM, would need to show evidence of compliance with relevant legal obligations. • 1.4: MRCRM has not identified the training needs and/or communication strategies relevant to the implementation of the Pacific Coast Standard.
C2 Responsibilities	<ul style="list-style-type: none"> • 2.3: Group entity staff and group members will be required to demonstrate knowledge of the Group's procedures and the Pacific Coast Standard once MRCRM's program manual is updated.
C3 Group entity's procedures	<ul style="list-style-type: none"> • 3.1.II: MRCRM may need to describe the activities required to fulfill the responsibilities of the group entity and the group members (see also CAR 2009.1). • 3.1.III: MRCRM may need to more clearly define the eligibility requirements for forest owners and forest owner representatives (e.g., formal written agreement between forest owner and representatives) to facilitate the screening process. • 3.1.V: The description of the process required to fulfill any CARs issued internally and by the certification body is unclear and does not provide timelines and implications if any of CARs are not complied with. • 3.1.VII: MRCRM may need to modify the dispute resolution section to describe options and/or steps for resolving disputes and complaints. • 3.3: MRCRM will need to identify the personnel responsible for each procedure as well as the qualifications or training measures required for each procedure's implementation.
C4 Informed consent of Group members	<ul style="list-style-type: none"> • 4.1.ii: MRCRM will need to provide an explanation of the certification body's evaluation process and cycle. • 4.1.iii: MRCRM will have to provide an explanation of rights of access to group members' forests, records, and documentation by the certification body and MRCRM (see also CAR 2009.2). • 4.1.iv: MRCRM will need to provide an explanation on public information required under FSC protocols, such as public summaries that the Group entity is required to have under the Pacific Coast Standard and the Certification Body's public summaries of certification evaluations and annual audits (see also CAR 2009.3). • 4.1.v: MRCRM will need to provide an explanation of obligations with respect to group membership, including associated maintenance of records, on monitoring, tracking systems, conformance with CARs, marketing or sales of products within

	<p>and outside of certificate, etc (see CAR 2009.4).</p> <ul style="list-style-type: none"> 4.2: MRCRM may need to update its purchase order agreement to comply with the elements of this indicator.
C5 Group Records	<ul style="list-style-type: none"> 5.1.ii: MRCRM may need to compile staff and group member training records relevant to the implementation of the group standards and Pacific Coast Standard. 5.1.vi: MRCRM will need to ensure that it has records of ALL of its group member inspections to demonstrate evidence of internal control and/or monitoring systems (see also CAR 2009.5).
PART 2 GROUP FEATURES	
C6 Group Size	<ul style="list-style-type: none"> 6.2: MRCRM will have to specify in its procedures the maximum number of group members that can be supported by its management system.
C7 Multinational groups	<ul style="list-style-type: none"> N/A
PART 3 INTERNAL MONITORING	
C8 Monitoring requirements	<ul style="list-style-type: none"> 8.3: MRCRM will have to conform to the minimum sample guidelines for internal monitoring as detailed in section D of the new group standards. 8.4: MRCRM must use the same stratification of sets of “like” FMUs as defined by the certification body in their monitoring procedures. 8.5: While taking into account pending corrective actions and other risk factors, MRCRM should develop sampling procedures in its annual monitoring protocol that seek to avoid evaluations of group members evaluated by the certification body during a given year’s surveillance audit. 8.6: MRCRM should investigate appropriate random selection techniques to include in its annual monitoring protocol. 8.7: MRCRM may need to be more explicit in its guidelines on how it issues internal corrective action requests (CARs) in response to non-conformities during site visits and how it monitors CARs for completion.
C9 Sales of forest products and use of the FSC trademark	<ul style="list-style-type: none"> 9.2: MRCRM may need to develop a more complete sales protocol that includes relevant information on MRCRM’s first right of refusal, a policy on use of the group certificate number by group members for all sales, and other information MRCRM identifies as being relevant to the sale of FSC certified products. 9.3: See 9.2. 9.4: MRCRM may need to develop FSC Trademark and Logo usage procedures and establish relevant contacts with the certification body for the trademark approval process.

3.0 DETAILED OBSERVATIONS

This section is divided into two parts: Section 3.1 details the determining of conformance and non-conformance with the elements of the standard examined during this audit. Section 3.2 discusses any stakeholder comments.

3.1 Evaluation of Conformance

The auditor chose to focus on Principles 4 and 7 during this surveillance audit:

C= Conformance with Criterion

C/NC= Overall Conformance with Criterion, but there are Indicator non-conformances

NC= Non-Conformance with Criterion

REQUIREMENT	C/ N C	COMMENT/CAR
<p>C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</p>	C	<p>MRCRM logging contractors interviewed on job sites have maintained long-term working relationships with MRC. All MRCRM logging contractors are based locally. Jobs are put are to bidding process that contractors deem fair. All contractors must possess adequate liability insurance, workmen’s compensation insurance, and comply with state and federal labor laws.</p> <p>All logging contractors interviewed receive first aid and CPR training every two years. Workers cited on-the-job-training and experience with prior employers as common methods of learning proper harvesting and safety procedures.</p> <p>The auditor observed excellent coordination between fellers, and cable and log loading operators.</p> <p>MRCRM’s group member, Jackson State Forest, is a state forest. The purpose of the timber harvesting on this forest is for public demonstration of multiple-use forest management.</p>
<p>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</p>	C	<p>Employees of the two logging contractors interviewed receive first aid and CPR training every two years. Logging equipment on site was in good working condition. Forest workers wore hardhats, chaps, and other personal protective equipment as necessary on the job site.</p> <p>All contractors on MRCRM jobs are required to be licensed with the State of California.</p>
<p>C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).</p>	C	<p>Andersen Logging workers interviewed have regular safety meetings and trainings to avoid work related injuries. Contractors are required to have workmen’s compensation insurance for their workers and to provide adequate training programs to ensure job safety.</p> <p>Another logging contractor interviewed is independent and runs his own business.</p>
<p>C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</p>	C	<p>MRCRM expects group members to have an NTMP, which requires a period for public comment. The NTMP process requires notification of management activities and an archaeological assessment. In addition, the Fashuer property has worked with CalFire and other neighbors during last</p>

		<p>year's lightning complex fires.</p> <p>One of the MRCRM group members is a public forest. The Jackson State Forest demonstration THPs were open for a period of public comment. In addition, the Jackson Advisory Group, a board of independent natural resource professionals, created the management plan.</p> <p>Archaeological sites are identified in the management plan. There are several state agencies and universities involved in the process.</p>
C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.	C	The audit uncovered no evidence of grievances. The California THP and NTMP processes require a period of public comment and notification adjacent properties, which should help to avoid conflict in the first place.
P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.		
<p>7.1. The management plan and supporting documents shall provide:</p> <p>a) Management objectives.</p> <p>b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.</p> <p>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.</p> <p>d) Rationale for rate of annual harvest and species selection.</p> <p>e) Provisions for monitoring of forest growth and dynamics.</p> <p>f) Environmental safeguards based on environmental assessments.</p> <p>g) Plans for the identification and protection of rare, threatened and endangered species.</p> <p>h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.</p> <p>i) Description and justification of harvesting techniques and equipment to be used.</p>	C	<p>MRCRM currently uses a checklist based on the FSC Principles and Criteria to evaluate potential group members' management plans. As it looks to expand the group into Humboldt County, MRCRM may become overwhelmed with plans to review and the checklist could slow the process. Furthermore, while reviewing the new group certification standards, MRCRM managers suggested training for group members on chemical use, high conservation value forests, and other important regional natural resource management issues.</p> <p>REC 2009.2: MRCRM should create an overarching management plan that details the basic components and/or policies that it expects group members' plans to address based on the scale and intensity of their operations.</p>
7.1.a. Management objectives	C	
<p>7.1.a.1.A written management plan is prepared that:</p> <p>(1) includes the landowner's vision (ecological, silvicultural, social, and economic), desired future conditions, potential future outcomes, goals, and objectives, as well as short-term and long-term actions and</p> <p>(2) incorporates strategies for the maintenance,</p>	C	The Jackson Demonstration State Forest (JDSF) Management Plan contains a section called "Detailed Goals and Objectives," which outlines objectives that are measurable and achievable over the short- and long-terms. For example, there are silvicultural objectives that are compatible with restoration and ecological goals, such as promoting late seral habitat conditions. On the social and economic end, JDSF serves as a

enhancement, and/or restoration of forest resource. The actions and objectives are specific, achievable, measurable, and adaptive. (The elements of a comprehensive forest management plan are found in Appendix H.)		demonstration of different silvicultural practices using a range of equipment and will track costs and effectiveness data of said practices.
7.1.b. Description of forest resources to be managed, environmental limitations, land use and ownership status, socioeconomic conditions, and profile of adjacent lands	C	
7.1.b.1. Using data collected proportionally to the scale and intensity of management, the forest owner or manager describes the following resources: <ul style="list-style-type: none"> ▪ timber ▪ fish and wildlife ▪ harvested non-timber forest products (e.g., botanical and mycological) ▪ non-economic natural resources 	C	<p>Chapter 2 of the JDSF management plan provides a background on its setting, including environmental conditions. This section describes regional and historical land use, vegetation, soils, geomorphology, hydrology, climate, wildlife, and aquatic resources.</p> <p>There is a description of timber resource, and downed woody material for ecological and economic purposes, such as the harvest of downed trees for split products.</p> <p>Non-timber forest products (NTFPs) harvested on JDSF include mushrooms, greenery (boughs, shrubs, and ferns).</p> <p>A major component of JDSF’s purpose is to demonstrate that livelihoods dependent on harvestable forest resources and recreation are compatible. There is limited harvest of NTFPs on JDSF and all sales are regulated by permit. JDSF intends to monitor the amount of permits issues by type (commercial or personal use) and use this data to assess NTFP collection trends. Some THPs are expected to allow for the collection of NTFPs. Where the potential for the collection of NTFPs is high and appropriate, JDSF should consider the following:</p> <p>REC 2009.3:</p> <ol style="list-style-type: none"> 1. JDSF should research opportunities to compare the purchase of NTFP collection permits to financial data related to NTFPs. 2. JDSF should consider monitoring the methods and intensity of harvests of NTFPs on THPs included in the MRCRM group as well as in areas where no timber harvesting is allowed.
7.1.b.2. Descriptions of special management areas, Rare species and their habitats, Rare plant communities, and other ecologically sensitive features in the forest are included in the management plan.	C	The JDSF management plan includes sections on wildlife, vegetation, rare plants and animals, and other ecological features. For example, it has identified the retention of downed woody debris and snags as essential to restoring habitat for aquatic organisms and to provide structure for wildlife habitat. Other unique features included are aquatic resources and wetlands.
7.1.b.3. A description of past land uses is included in the management plan and incorporated into the goals and objectives.	C	The JDSF management plan includes a section on the history of its founding as a state forest and pre-historical and historical land use.
7.1.b.4. The legal status of the forest and its resources	C	JDSF is owned by the State of California and is a public forest

is identified in the management plan (e.g., ownership, usufruct rights, treaty rights, easements, deed restrictions, and leasing arrangements).		intended for demonstrating various methods of management of natural resources, as well as recreation. Research areas, including archaeological sites, and other areas with special restrictions (e.g., powerline rights-of-way) are included as appropriate in the management plan.
7.1.b.5. Relevant cultural and socioeconomic issues (e.g., traditional and customary rights of use, access issues, recreational uses, and issues of employment), conditions (e.g., composition of the workforce, stability of employment, and changes in forest ownership and tenure), and areas of special significance (e.g., ceremonial and archeological sites) are identified in the management plan.	C	The JDSF includes a section on "Recreation, Aesthetics, and Public Use," "Desired Future Conditions," and "Heritage Resources." These address relevant cultural and socioeconomic issues, archaeological sites, and camping areas.
7.1.b.6. Landscape-level considerations within the ownership and among adjacent and nearby lands, including major bodies of water, critical habitats, and riparian corridors shared with adjacent ownerships, are incorporated in the management plan.	C	JDSF has identified risks of harvesting (e.g., noise pollution) near adjacent private landowners and has intentions to mitigate this risk. Of note, however, are the "Ecosystem Management" and the "Regional Economic Role of Jackson Demonstration State Forest." Enhancing habitat connectivity and riparian buffers in connection with neighboring state lands have been identified. Moreover, silvicultural research treatments on JDSF are intended to serve as example to small landowners and industrial forests, as well as to provide regional economic opportunities in harvesting and processing of wood. The results of this research could allow for private landowners to restore degraded stands.
7.1.c. Description of silvicultural and/or other management system	C	
7.1.c.1. The choice of silvicultural system(s) and prescriptions are based on the integration of ecological and economic characteristics (e.g., successional processes, soil characteristics, existing species composition and physical structures, desired future conditions, and market conditions) (<i>see also 6.3.a</i>).	C	JDSF's silvicultural systems are based on past land use, current stand structure, past land use, forest type, and opportunities for research. Many of the selection systems are intended to promote a wider distribution of age and size classes and balance tree species diversity. Even-aged systems shall follow California Forest Practice Rules and used to restore degraded stands or for research purposes.
7.1.c.2. Prescriptions are prepared prior to harvesting, site preparation, pest control, burning, and planting and are made available to people who carry out the prescriptions.	C	Timber Harvest Plans (THPs) are prepared prior to harvest and are open for a public comment period. Contractors are selected during the planning process and have access to the prescriptions. A stakeholder presented concerns about the width and geometry of yarding corridors throughout the Brandon Gulch THP. SCS was unable to corroborate the stakeholder's comments as it was unable to walk the entirety of the THP. REC 2009.1: MRCRM should maintain communications with this particular stakeholder on this issue and consider conducting a post-harvest evaluation to for further investigation.
7.1.d. Rationale for the rate of annual harvest and species selection	C	
7.1.d.1. The management plan is based on the best	C	JDSF's management plan includes a section on "Forest

available data on growth, yield, stocking, and regeneration. (see also 5.6.b).		Resources Inventory.” It has a continuous forest inventory (CFI) process. Data is collected roughly every 5 years with 2005 being the most recent year. GIS data incorporates forest inventory data. A more detailed assessment of the JDSF’s forest inventory will be necessary in future audits.
7.1.d.2. Species selection meets the economic goals and objectives of the forest owner or manager, while maintaining or improving the ecological composition, structures, and functions of the forest.	C	As with many forests of the Redwood region, undisturbed natural stands tend to be conifer dominated. Past harvesting practices have led to a decline of conifers and an increase of hardwoods, such as tanoak. JDSF retains hardwoods whenever appropriate, but intends to restore conifers to natural stocking levels.
7.1.e. Provisions for monitoring forest growth and dynamics (see also Principle 8)	C	The CFI covers growth and dynamics.
7.1.f. Environmental safeguards based on environmental assessments (see also Criterion 6.1.)	C	Environmental impact assessments are required for NTMPs and THPs in the State of California.
7.1.g. Plans for the identification and protection of rare, threatened, and endangered species. (see also Criterion 6.3.)	C	The JDSF Management Plan includes a section on rare plant species and species of concern (mainly vertebrates). It has also set increasing woody debris as an objective to restore riparian habitat function. There is a special section on managing the Russian Gulch area for marbled murrelet habitat. Appendix II contains management provisions for areas of special concern.
7.1.h. Maps describing the forest resource base including protected areas, planned management activities, and land ownership.	C	
7.1.h.1. Appropriate to the scale and intensity of the operation, and to the relevance of the management of the FMU, the following maps are included in the management plan: <ul style="list-style-type: none"> ▪ property boundaries ▪ roads ▪ areas of timber production ▪ forest types by age class ▪ topography ▪ soils ▪ riparian zones ▪ streams, springs, and wetlands ▪ archaeological sites ▪ areas of cultural and customary use ▪ locations of and habitats for rare species ▪ designated High Conservation Value Forests <p>Maps of some features may be kept confidential to protect their integrity.</p>	C	The JDSF management plan contains many maps that allow management personnel and the public to navigate the property and understand land use trends, including maps on ownership, regional forestland ownership of Northern California, soil types, site class, forest management areas and special concern areas, short term harvest schedule, vegetation habitat classes, and average density of trees greater than 30” DBH. Archaeological sites are kept confidential.
7.1.i. Description and justification of harvesting techniques and equipment to be used. (see also Criterion 6.5)	C	The JDSF plan includes descriptions and justifications for tractor, cable, and helicopter logging. THPs and NTMPs also include provisions for the selection of equipment and harvesting techniques.
C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to	C	

respond to changing environmental, social and economic circumstances.		
7.2.a. Relevant provisions of the management plan are modified: (1) every 10 years or in accordance with the frequency of harvest for the stand or forest, whichever is longer; (2) in response to effects from illegal and/or unauthorized activities (e.g., damage to roads, depletion of timber and non-timber resources), (3) in response to changes caused by natural disturbances.	C	The Fashauer NTMP was granted an emergency waiver in order to respond to the lightning complex fires of the summer of 2008. The Fashauer managers hope to update the NTMP in the next two years in response to the fire damage and emergency salvage harvest. As stated in the plan, The JDSF management plan is to be reviewed every 5 years and updated as necessary. There is a 10 year implementation period.
C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans. <i>Note: The Working Group considers this criterion sufficiently explicit and measurable. Indicators are not required.</i>	C	Forest workers interviewed during the annual audit were briefed on components of the management plan related to their tasks. For example, for meeting the recreational and aesthetic objectives of the Jackson State Forest's THPs, Andersen Logging kept yarding corridors as narrow as possible and slash-packed areas where public access to vistas and firewood were of concern. When MRCRM completes its update of group management procedures, group members may require training. REC 2009.4: MRCRM should identify the training needs of its group members in relation to the implementation of the management plan.
C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.	C	MRCRM posted its group program manual and 2009 annual monitoring summary on its website to fulfill the requirements of Major CAR 2009.1 .

3.2 Stakeholder Comment

<u>Stakeholder name</u>	<u>Position/ Organization</u>	<u>Comments</u>
Vince Taylor	Vice chair / Jackson Advisory Group	<ul style="list-style-type: none"> Involved in planning THPs The planning process was a good process, and took into account the negotiated agreement between CalFire and myself, such as the purpose of THPs and how silviculture was to be determined for the development of late seral forests. The JAG recommended the silviculture to follow. Implementation of Brandon Gulch – some of the cabling did not adhere to guidelines (such as minimal width to create smaller corridors – there is a large opening on the landing and subsequently openings into forest – excessive width and geometry in some areas for corridors; some were too wide). Could be

		<p>that laid out cable corridors prior to making changes to harvest plan and followed old corridors?</p> <ul style="list-style-type: none"> • NTFPs – discussed, but not in great depth. Not as huge a priority at this time. Will be considered more in future.
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SCS Response to comments

Although yarding corridors observed in the Brandon Gulch THP typically were wider than those observed in the Northfork Spur THP, slash dispersal and arrangement was done well as to protect soil resources and permit natural regeneration. There was also retention of snags, hardwoods and confers to provide seed source and wildlife habitat. The auditor also observed minimal residual stand damage. There were also some corridors that were kept small. The higher widths observed in some corridors could be due to the pre-harvest diameter class distribution, which was heavier to the small to mid-sized conifer trees (see Appendix 4 in [Recommended Late Seral Forest Development Prescription for Brandon Gulch](#)). The removal of some of these smaller to mid-sized trees could play a role in the aesthetics of the harvest, making it look more open in some areas. The auditor notes that the push to complete the harvest prior to October 15 also could have had some impact on operational decisions. As SCS was not able to walk the entirety of the Brandon Gulch THP, it is unable to corroborate the stakeholder’s comments at this time. See **REC 2009.1**.

MRCRM has not received any other stakeholder complaints or disputes since the previous evaluation, and stakeholder consultation by the audit team has not revealed any further stakeholder complaints or disputes.

3.3 Controversial Issues

No exceptionally controversial or difficult issues presented themselves during this surveillance audit.

3.4 Changes in Certificate Scope

See the updated group membership table below for additions.

Updated Group Membership Table

Member name	Membership type	Member since?	Owner name	NTMP # (THP #)	NTMP/THP Name	Acres	Contact for?	Address Street	City, State, Zip
Biaggi Family Partnership	Landowner	2008	Biaggi Family Partnership	1-00NTMP-071MEN	Biaggi	1383	Landowner	P.O. Box 115	Manchester, CA 95459
Gary and Karen Sack	Landowner	2008	Gary and Karen Sack	Unknown	Sack	97	Landowner	P.O. Box 6082	Eureka, CA 95501
George Hollister	Landowner	2005	Hollister	1-92NTMP-???MEN	Hollister	420	Landowner	P.O. Box 111	Comptche, CA 95427
Jackson State Demonstration Forest	Landowner	2009	CALFIRE	NA	Brandon Gulch/North Fork Spur	550	Landowner	802 North Main Street	Fort Bragg, CA 95437
John C. Kaijankoski	Landowner	2008	John C. Kaijankoski	1-96NTMP-025MEN	Summit	76	Landowner	30901 Gutherie Road	Fort Bragg, CA 95437
Tim and Robert and Lois Renner	Landowner	2008	Tim and Robert and Lois Renner	1-97NTMP-001HUM	Renner	1200	Landowner	100 Price Creek Road	Ferndale, CA 95536
Robert Whittaker	Landowner	2006	Robert Whittaker	1-97NTMP-023MEN	Whittaker	2303	Landowner	P.O. Box 66	Willits, CA 95490
Robin Bird	Landowner Representative	2009	Fashauer, Celentano, Gretter, Hart	1-07NTMP-015MEN	Fashauer	730	Landowner Representative	P.O. Box 610	Philo, CA 95466
Darcie Mahoney	Resource Manager	2007	Kristine Curl	Unknown	Kristine Curl	190	Resource Manager	30995 Greenwood Road	Elk, CA 95432
Darcie Mahoney	Resource Manager	2007	George C. Masterson	1-93NTMP-002MEN	Masterson	151	Resource Manager	30995 Greenwood Road	Elk, CA 95432
Darcie Mahoney	Resource Manager	2007	Richard Mitchell	1-99NTMP-025MEN	Mitchell	390	Resource Manager	30995 Greenwood	Elk, CA 95432

								Road	
Darcie Mahoney	Resource Manager	2007	Anderson Hinsch	1-02NTMP-001MEN	Old Mill Farm	324	Resource Manager	30995 Greenwood Road	Elk, CA 95432
Linwood Gill	Resource Manager	2006	Parker Land and Timber Partnership	1-92NTMP-005MEN	10 Mile River	2000	Resource Manager	26221 Omar Drive	Fort Bragg, CA 95437
Nicholas Kent	Resource Manager	2008	Vimark Incorporated	1-05NTMP-007SON	Vimark	2425	Resource Manager	P.O. Box 1914	Healdsburg, CA 95448
Randy Jacobszoon	Resource Manager	2008	Lisa Campbell	1-06NTMP-001SON	Campbell	628	Resource Manager	P.O. Box 225	Redwood Valley, CA 95470
Randy Jacobszoon	Resource Manager	2008	Helen McClintock Estate	1-08-053MEN	Florenzen	22	Resource Manager	P.O. Box 225	Redwood Valley, CA 95470
Randy Jacobszoon	Resource Manager	2008	Philbrick Family Partnership	1-00NTMP-001MEN	Philbrick	627	Resource Manager	P.O. Box 225	Redwood Valley, CA 95470
Thembi Borrás	Resource Manager	2008	Doll and Ballard	1-03NTMP-001MEN	Doll Ranch	114	Resource Manager	P.O. Box 377	Navarro, CA 95463
Allen Adams	Resource Manager	2008	Timber not purchased yet	Timber not purchased yet	Timber not purchased yet	NA	Resource Manager	P.O. Box 1255	Gualala, CA 95455