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FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY CERTIFICATION EVALUATION REPORT

**Mendocino Redwood Resource Manager Certification Program
SCS-FM/COC-00001G**

Mendocino Redwood Company
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Mike Jani, MRCRM Program Director

CERTIFIED	EXPIRATION
17/Sep/07	17/Sep/12

DATE OF FIELD AUDIT
30/Aug/10 – 01/Sep/10
DATE OF LAST UPDATE
27/Oct/10

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use by the FME.

FOREWARD

This report covers the third annual audit of Mendocino Redwood Resource Manager Certification Program (MRCRM) pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded in September 2007 (SCS-FM/COC-00001G). 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 September 2010 annual audit, there were 5 open Corrective Action Requests, the status of FME's response to which was a major focus of the annual audit (see discussion in section 2.4 for a listing of those CARs and their disposition as a result of this annual audit).

Contents

Section A – Public Summary	4
1.0 General Information	4
1.1 Annual Audit Team.....	4
1.2 Total time spent on evaluation	4
1.3 Standards Employed	4
2.0 Annual Audit Dates and Activities.....	4
2.1 Annual Audit Itinerary and Activities	4
3.0 Changes in Management Practices	6
4.0 Annual Summary of pesticide and other chemical use.....	6
5.0 Open Corrective Action Requests (CARs).....	7
5.1 Open Observations (OBSs).....	13
MRCRM’s previous annual audit was conducted under an old report template and FSC requirements. As such, observations were previously known as recommendations (REC).	13
6.0 New Corrective Action Requests (CARs).....	15
6.1 Observations (OBS)	19
7.0 Stakeholder Comment	20
8.0 Certification Decision	20
9.0 Current list of Non-SLIMF FMUs	21

Section A – Public Summary

1.0 General Information

1.1 Annual Audit Team

Mr. Kyle Meister, Certification Forester, Lead Auditor, Scientific Certification Systems: Mr. Meister is a Certification Forester with Scientific Certification Systems. He has been with SCS for two years and has conducted FSC pre-assessments, evaluations, and surveillance audits in Brazil, Panama, Mexico, Indonesia, India, and all major forest producing regions of the United States. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan; and a Master of Forestry from the Yale School of Forestry and Environmental Studies. Mr. Meister has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, Colombia, and Brazil. He is responsible for reviewing all of SCS' forest management reports from Latin America. He is a member of the Forest Guild and the Society of American Foresters.

1.2 Total time spent on evaluation

A. Number of days spent on-site assessing the applicant:	2.5
B. Number of auditors participating in on-site evaluation:	1
C. Additional days spent on stakeholder consultation:	0
D. Total number of person days used in evaluation:	2.5
(Line D = (Total number of days in Line A x Total number of auditors from Line B) + additional days from Line C.	

1.3 Standards Employed

Box 1.3.1. – Applicable FSC-Accredited Standards		
Title	Version	Date of Finalization
FSC-US Forest Management Standard	V1-0	08 – July – 2010
FSC standard for group entities in forest management groups (FSC-STD-30-005)	V1-0	31 – August – 2009
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Forest Conservation Program homepage (www.scscertified.com/forestry). Standards are also available, upon request, from Scientific Certification Systems (www.scscertified.com).		

2.0 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

30 – Aug – 2010	
FMU/Location/ sites visited	Activities/ notes
Parker Ten Mile NTMP	Mostly tractor-logged, single-tree selection harvests with some opportunities for group selection in older Douglas-fir stands (multiple entries from 1988 – present in different stands). Landowner interested in aesthetics, environment/ wildlife, and supplemental income. 3 pairs of northern spotted owl (NSO) on site, surveys conducted for marbled murrelets. No winter operations, no herbicides. Preference to girdle tanoak, although herbicide is allowed under the management plan. Supplemental planting done with seedlings of local provenance. 1 acre removed from NTMP to stabilize rock quarry terraces. Protected areas exist, but not classified under FSC rules. No rights of way on FMU.
Smith Ranch NTMP	NSO protection zone (300 ft. buffer), flagged. Two nest trees with overlapping boundaries. Outside of protection zone, use of selection systems to open midstory to create potential NSO core area. Tractor logged. No rights of way on FMU.
Jackson Demonstration State Forest (JDSF) – Upper Parlin THP	<ul style="list-style-type: none"> • Archeological sites: Historic logging railroad and logging camp. Trestle and fence burned during 2008 fires. Equipment exclusion zone 100 ft radius around site. • Post-fire mortality and 2nd growth stand create stand with many options (snags, coarse woody debris, hardwood component). Post-fire Douglas-fir mortality = release of redwood seedlings. • Significant hardwood component on site, including several sizeable chinkapins with some madrone and tanoak component. Hardwoods likely around 110 years old. • Site history: harvest at the turn of the 20th century – clear-cut followed by burn • Single-tree selection to release redwood and accelerate late seral conditions, logger is seeking hardwood market (but must purchase hardwood volume), no supplemental planting, no herbicide application. • JDSF committee comments on all THPs. An independent California RPF reviews all JDSF THPs. NDDDB was consulted, as well as a separate survey for endangered species and protected areas. • No winter operations allowed. • MRC reviews sales specifications. • Rights of way on JDSF include adjacent private landowners. The state maintains the road and supplies rock.

	<ul style="list-style-type: none"> • Tribes notified via THP process; one form-letter response received.
31 – Aug – 2010	
FMU/Location/ sites visited	Activities/ notes
Office Audit <ul style="list-style-type: none"> • Opening meeting • Review of Management Plan Files • Review of open CARs 	<ul style="list-style-type: none"> • In MRC's office, at least 15 NTMPs are older than 10 years. Some may have addenda at the CalFire office in Santa Rosa. • Reviewed internal group monitoring 2009-2010. • Reviewed response to CARs and RECs. • Reviewed 2009 GAP assessment (pre-assessment of FSC-STD-30-005).
1 – Sep – 2010	
FMU/Location/ sites visited	Activities/ notes
Stiver NTMP	Owner concerned with scenic views; no residual old-growth; no deeded rights of way; sediment sites have been identified; baseline inventory from 2009 (10 year re-inventory); pre-harvest BA 250, post-harvest 170; used to have alder market.

3.0 Changes in Management Practices

There have been no significant changes in harvesting methods. All NTMPs under California Forest Practice Rules must be on uneven-aged management trajectories. Variable retention harvesting is not allowed, but thinnings that contribute to achieving uneven-aged management objectives may be permitted. Some other exceptions may allow emergency salvage operations, such as insect outbreaks and wildfire. Cable yarding and tractor logging are the two most common harvest methods.

MRCRM has expanded into Humboldt County this year, as well as added several members in Mendocino County. There are now three MRC staff, both permanent and contracted, working on the management and monitoring of the program. The new FSC-US standards have provided more guidance on implementing the FSC Principles & Criteria on small landholdings. The California NTMP process meets most of these criteria; however, there may be some areas that the NTMP process does not fulfill on its own. A current challenge to MRCRM managers is to maintain the flexibility and landowner objectives established under NTMPs, while ensuring that the new requirements of the FSC group management and FSC-US national standards are met as MRCRM has identified in REC 2009.2.

4.0 Annual Summary of pesticide and other chemical use

Section 4.0 will be required as of January 1, 2011 by FSC International. MRCRM currently does not have a mechanism to track the chemical use by its group members. The 2010 annual audit uncovered no use of chemical herbicides or pesticides by group members. However, several individual group members'

management plans have provisions for such use. Below is a sample table of the information that is required annually by FSC International next year.

Commercial name of pesticide/herbicide	Active ingredient	Quantity applied annually (kg or lbs)	Size of area treated during previous year (ha or ac)	Reason for use

5.0 Open Corrective Action Requests (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.
MRCRM Response	MRCRM is developing a log sale agreement to add members to our group certificate in 2011 which will address this.
Auditor comment	At the time of the 2010 annual audit, the log sale agreement was still in development and had not been reviewed by MRC's legal staff. See also GAP 12 and GAP 21.
Disposition of CAR	This CAR has been upgraded to MAJOR.

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
MRCRM	<ul style="list-style-type: none"> See November 5th, 2009 letter to all program members,

<p>Response</p>	<p>updating them on requirements for certification</p> <ul style="list-style-type: none"> • Also see current PO for program with requirements included. "Seller or Seller's RPF warrant that their operations are compliant with these standards and will allow MRC to review their management plans for compliance and allow MRC access to their property for compliance monitoring during and/or after the completion of operations. Additionally, the landowners may be asked to provide access for follow-up field sample monitoring by MRC's certification auditors, Scientific Certification Systems (SCS). All field monitoring shall be at the expense of MFP and SELLER or SELLER'S RPF may accompany auditors on all site visits." (page 31 this document) • Drafting new log sale agreement that will include these requirements more clearly spelled out. • See additions to page 10-12 of the MRCRM group manual: <p>Responsibilities</p> <p>MRC will:</p> <ul style="list-style-type: none"> - Provide the administrative services of the program - Liaise with and pay costs to the certification body (Scientific Certification Systems) necessary to maintain FSC-endorsed certification for the group - Review eligibility for enrollment of Resource Managers, Forest Owners, and Forest Owner Representatives. - Assess management planning documentation of applicant membership - Hold contracts with the enrolled membership, Resource Managers, Forest Owners, and Forest Owner Representatives - Undertake internal auditing on a sample basis of Resource Managers, Forest Owners, and Forest Owner Representatives compliance to program requirements and the FSC Pacific Coast Standard - Provide technical information relating to the program requirements and forest management - Identify training opportunities for Participants - Provide template documentation and checklists for management planning, planning review, site visit and audits (if needed) - Produce an annual program report that includes information on total membership and acreage in the program; as well as a list of members names, harvest plan names and numbers that were harvested in the previous year. - Provide an explanation of the rights of access to group member properties and records by MRCRM, the certification body, and
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the FSC.

Resource Managers will:

- Provide detail of their eligibility to operate as a certified Resource Manager, relative to the requirements established by the MRCRM.
- Sign a contract or be party to a log purchase agreement thereby agreeing to comply with the program
- Provide forest management services to their enrolled forest owners to ensure compliance with the program requirements and with the FSC US Pacific Coast Standard
- Supply copies of checklists and other management planning documentation of enrolled members to MRC
- Provide on site visits to properties being managed for auditing purposes.
- Ensure clients are aware and willing to provide access to their land and MRCRM-related records to FSC auditors and MRCRM staff as requested.
- Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required.
- Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested.
- Provide information relevant to their monitoring of their enrolled forest owners operations and management planning to MRCRM staff (including a list of the plans which were harvested in the previous year as well as any corrective action requests and adaptive learning from ongoing management).

Forest Owners and Forest Owner Representatives will:

- Sign a contract agreeing to comply with the program.
- Be committed to the FSC Principles and Criteria
- Ensure that management on their land complies with the requirements of the program
- Allow access to their forestland as well as MRCRM-related records for periodic audits by MRCRM representatives and FSC auditors
- Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required.
- Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested.
- Understand that when harvests occur on enrolled properties, the

	name of the member, the name of the harvest plan, as well as the number of the harvest plan will be published in annual monitoring report on the MRC website.
Auditor comment	MRCRM has fulfilled the requirements of this CAR. There are provisions in its response that explain that MRCRM staff and third-party auditors, both of the certification body and its accreditation body (as both qualify as “FSC auditors”), require access to group member properties.
Disposition of CAR	This CAR is closed.

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
MRCRM Response	<p>See group letter 11/5/2009.</p> <p>Below are the requirements for forest owners, forest owner representatives, and resource managers to be a part of this program:</p> <ol style="list-style-type: none"> 1) Manage your forestlands in compliance with the FSC Principles and Criteria (available at www.fsc.org) 2) Manage your forestlands in compliance with the FSC Pacific Coast Regions standards (available at www.fscus.org/standards_criteria). 3) Sign a purchase order which includes requirements such as allowing MRC staff or FSC certification auditors on your forestlands as needed and requested. All group members will receive a minimum of 24-hour notice prior to a visit. 4) Use the Handbook for Forest and Ranch Roads as best management practices for road construction and maintenance (available at: www.mrcrd.org/publications). 5) Be willing to have member names, management plan names, and management plan numbers posted on the MRC website as part of our requirements to maintain this group certificate. <p>MRCRM intends to provide similar group letter updates annually (including in 2010) after audit visits have been completed. See pages 10 and 11 of the revised MRCRM annual report.</p>
Auditor comment	MRCRM has partially addressed this CAR. However, MRCRM has not provided an explanation of the certification body’s publication of

	information in public summaries on the FSC Certificate Database. See title page of this report for more information.
Disposition of CAR	This CAR has been upgraded to MAJOR.

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
MRCRM Response	<p>a) maintenance of information for monitoring purposes</p> <ul style="list-style-type: none"> • See MRCRM operations manual – pages 10-12 (resource manager, landowner, and landowner representative responsibilities) <p>Resource Managers will:</p> <ul style="list-style-type: none"> - Ensure clients are aware and willing to provide access to their land and MRCRM-related records to FSC auditors and MRCRM staff as requested. - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Provide information relevant to their monitoring of their enrolled forest owners operations and management planning to MRCRM staff (including a list of the plans which were harvested in the previous year as well as any corrective action requests and adaptive learning from ongoing management). <p>Forest Owners and Forest Owner Representatives will:</p> <ul style="list-style-type: none"> - Allow access to their forestland as well as MRCRM-related records for periodic audits by MRCRM representatives and FSC auditors - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Understand that when harvests occur on enrolled properties, the

	<p>name of the member, the name of the harvest plan, as well as the number of the harvest plan will be published in annual monitoring report on the MRC website.</p> <p>b) use of systems for tracking and tracing of forest products See pages 12 and 13 of MRCRM program manual Chain of custody requirements Each member will ensure their logs are tracked and sent appropriately by using the Mendocino Forest Products trip ticket provided for log trucks. This ensures that employees at the sawmill can track the location and certification status of delivered logs and treat them appropriately. All delivered loads must use the trip ticket provided by the Mendocino Forest Products sales/accounting staff.</p> <p>c) requirements to conform with conditions or corrective actions issued by the certification body See pages 10-12 of MRCRM program manual: Resource Managers will: - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested. Forest Owners and Forest Owner Representatives will: - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested.</p> <p>d) any special requirements related to marketing or sales of products covered by the certificate;</p> <p>e) Currently all sales of products covered by the certificate are directly or indirectly purchased by MRCRM related businesses (MFP/HRC). MRCRM is adding a log sale to add members to our group certificate in 2011. This will cover all legal obligations and marketing/sales requirements as well. Currently, page 7 of the manual states, "This system includes management plan review by the MRCRM Manager, scheduling of field assessments to evaluate harvest designs, and arranging the use of the FSC logo for marketing products from member lands."</p>
Auditor comment	MRCRM has fulfilled the requirements of this CAR. The addition of trademark and tracking guidance ensures that chain of custody rules are fulfilled.
Disposition of CAR	This CAR is closed.

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
MRCRM Response	90% of all operations received an audit in 2010 (either during or before operations). To date, only one group member has received a corrective action request from the MRCRM. Inspection reports are contained within the files of each group member with their management plan. Several inspection reports are included at the end of this report (see page 32-40).
Auditor comment	SCS checked group member files and found inspection reports for at least 90% of the group members. Fiscussion with group members further corroborated MRCRM's claims of internal audit visits.
Disposition of CAR	This CAR is closed.

5.1 Open Observations (OBSs)

MRCRM's previous annual audit was conducted under an old report template and FSC requirements. As such, observations were previously known as recommendations (REC).

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
MRCRM Response	As a participant in the Jackson Advisory Group (JAG), Mike Jani has remained in discussion with this particular stakeholder. Each JDSF harvest plan receives post-harvest review from members of the JAG to ensure that stakeholder concerns are addressed.
Disposition of REC	This REC is closed.

Background/Justification: MRCRM currently uses a checklist based on the FSC Principles and

<p>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>	
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
MRCRM Response and auditor comment	<p>MRCRM response: MRCRM staff reviewed the California FPR requirements for NTMPs and cross-referenced them with the FSC Management Plans requirement plans (FSC Criterion 7.1) and found that NTMPs meet the FSC requirements for management plans based on the required components for NTMPs. MRCRM staff review newly admitted NTMPs for other specific components of the Pacific Coast standards that have been identified as potential rub points (e.g. old growth protection, herbicide, treatment of HCVF forests). See <i>Cross Walk</i> between FSC requirements for management plans and CFPR requirements for NTMPs.</p> <p>Auditor comment: The comparison between the NTMPs and the FSC Pacific Coast standard is appropriate to addressing this REC.</p>
Disposition of REC	This REC is closed.

<p>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:</p>	
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.
Reference	FSC Indicator 7.1.b.1

MRCRM Response and auditor comment	<p>MRCRM Response: Interim timber harvesting at JDSF is intended to allow for restoration of more Jackson State forestry staff. Once personnel are in place they would be able to review and address this concern. All recommendations need to be vetted through the Jackson Advisory Group which is currently setting up a recreation advisory group.</p> <p>Auditor comment: Responses to RECs are voluntary. This particular REC was issued in response to an area where JDSF could achieve exemplary performance to the FSC P&C. As JDSF does not currently have the personnel necessary to address this REC, it is closed. Further responses to this REC are voluntary.</p>
Disposition of REC	This REC is closed.

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.
Reference	FSC Criterion 7.3
MRCRM Response and auditor comment	<p>MRCRM Response: Noted. While we have not conducted group training, we also considered our internal audit of group members as opportunities to train them on group procedures and take input regarding the management of the group certificate.</p> <p>Auditor comment: The new group management standard allows for flexibility in offering training programs. That is, site visits and communications strategies are acceptable methods of attending to deficiencies in individual group members' performance relative to FSC requirements.</p>
Disposition of REC	This REC is closed.

6.0 New Corrective Action Requests (CARs)

Major CARs

<p>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.</p>

Major 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	Within 3 months of finalization of 2010 annual audit report
Reference	SCS Group Certification Standards 1.b. and 2.b.
MRCRM Response and auditor comment 2010 annual audit	MRCRM response: MRCRM is developing a log sale agreement to add members to our group certificate in 2011 which will address this. Auditor comment: At the time of the 2010 annual audit, the log sale agreement was still in development and had not been reviewed by MRC's legal staff. See also GAP 12 and GAP 21.
MRCRM Response and auditor comment post-2010 annual audit	
Disposition of CAR	

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.	
Major 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	Within 3 months of finalization of 2010 annual audit report
Reference	SCS Group Certification Standards 3.a.iv
MRCRM Response and auditor comment 2010 annual audit	MRCRM Response: See group letter 11/5/2009. Below are the requirements for forest owners, forest owner representatives, and resource managers to be a part of this program: 1) Manage your forestlands in compliance with the FSC Principles and Criteria (available at www.fsc.org) 2) Manage your forestlands in compliance with the FSC Pacific Coast Regions standards (available at www.fscus.org/standards_criteria). 3) Sign a purchase order which includes requirements such as allowing MRC staff or FSC certification auditors on your forestlands as needed and requested. All group members will receive a minimum of 24-hour notice prior to a visit.

	<p>4) Use the Handbook for Forest and Ranch Roads as best management practices for road construction and maintenance (available at: www.mrcrd.org/publications).</p> <p>5) Be willing to have member names, management plan names, and management plan numbers posted on the MRC website as part of our requirements to maintain this group certificate.</p> <p>MRCRM intends to provide similar group letter updates annually (including in 2010) after audit visits have been completed. See pages 10 and 11 of the revised MRCRM annual report.</p> <p>Auditor comment: MRCRM has partially addressed this CAR. However, MRCRM has not provided an explanation of the certification body's publication of information in public summaries on the FSC Certificate Database. See title page of this report for more information.</p>
MRCRM Response and auditor comment post-2010 annual audit	
Disposition of CAR	

Nonconformity: According to MRCRM files reviewed, at least 15 group member management plans are not up to date and, in fact, are older than 10 years. One resource manager cited inventory data in the field that was not cited in MRCRM files. MRCRM did not obtain NTMP addenda when requesting copies of group member NTMPs and thus is unsure as to which plans in their files are out-of-date. MRCRM lacks an adequate mechanism to check the status of group member management plans.	
Major CAR 2010.1	<p>MRCRM shall</p> <p>(a) Implement a program and timeline to identify and update all group member management plans older than 10 years within the next year.</p> <p>(b) Establish a mechanism to track the status of group member management plans.</p>
Deadline	Annual audit 2011.
Reference	FSC-US standard <i>FF</i> indicator 7.2.a.

Minor CARs

Nonconformity: Many protected areas (e.g., rare plant communities; northern spotted owl zones)

are documented in the Jackson Demonstration State Forest Management Plan, but have not been assessed for potential as Representative Sample Areas (RSAs). Some of the background work has been done through consultation with the California Natural Diversity Database (NDDDB), JDSF biological assessment, and the THP process.	
Minor CAR 2010.1	MRCRM shall assess the adequacy of representation and protection of naturally existing ecosystem areas on areas on JDSF and determine whether classification of these ecosystems as RSAs is warranted.
Deadline	Annual audit 2011.
Reference	FSC-US standard indicator 6.4.a.

<p>Nonconformity: Many protected areas (e.g., rare plant communities) are documented in group member NTMPs, but have not been assessed for potential as Representative Sample Areas (RSAs). Some of the background work has been done through consultation with the California Natural Diversity Database (NDDDB) the NTMP process (e.g., (n) Information on the presence and protection of any known key habitat or individuals of any threatened or endangered plant or animal species that are listed in DFG inventories prepared pursuant to the F&GC or any species of special concern as designated by the board; and (o) A description of potential impacts and protections for the quality and beneficial uses of waters within watercourses, lakes, and wet areas).</p> <p>The FSC-US FF indicator 6.4.a requires that the forest manager assess the adequacy of representation and protection in the landscape of RSAs (see Criterion 7.1). The consultation and assessment process may be more informal; however, on all FMUs, outstanding examples of common community types (e.g., common types with Natural Heritage viability rankings of A and B) are identified in the assessment to be protected or managed to maintain their conservation value.</p>	
Minor CAR 2010.2	In cooperation with its group members, MRCRM shall establish a mechanism to assess group member properties for areas where classification as RSA is warranted.
Deadline	Annual audit 2011.
Reference	FSC-US standard <i>FF</i> indicator 6.4.a.

<p>Nonconformity: Many protected areas (e.g., Class 1 RMZs, old-growth stands) are documented in group member NTMPs and in the JDSF management plan, but have not been assessed for potential as High Conservation Value Forests (HCVF). Some of the background work has been done through consultation with the California Natural Diversity Database (NDDDB), JDSF advisory committee work and management plan, and NTMP/ THP processes.</p>	
Minor CAR 2010.3	In cooperation with its group members, MRCRM shall establish a mechanism to assess group member properties for areas where classification as HCVF is warranted.
Deadline	Annual audit 2011.
Reference	FSC-US standard indicator 9.1.a.

Nonconformity: Group entity staff and group members have not demonstrated knowledge of the Group's procedures and the FSC-US standard once MRCRM's program manual is updated.	
Minor CAR 2010.4	MRCRM shall ensure that the new group procedures and the FSC-US standard are communicated to group members and that they demonstrate knowledge of these two items.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 2.3

Nonconformity: MRCRM has not specified in its procedures the maximum number of group members that can be supported by its management system.	
Minor CAR 2010.5	MRCRM shall specify in its procedures the maximum number of members that can be supported by the management system and the human and technical capacities of the group entry.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 6.2

Nonconformity: MRCRM has not ensured that all invoices for sale of FSC-certified material are issued with the required information (see FSC-STD-40-004 V2-0 Clause 6.1.1) and filed by the group members. The information required in this clause is included in the purchase orders; the only missing piece is the claim FSC pure. This is being added to MRCRM's new Purchase Orders, but at the time of the audit was incomplete.	
Minor CAR 2010.6	MRCRM shall ensure that the appropriate claim, FSC pure, is included on purchase orders and other relevant transport documentation.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 9.3

6.1 Observations (OBS)

Background/ justification: On group member properties and the THP visited during the 2010 audit, none had any remnant old-growth stands on lands included in the scope of the certificate (the one old old-growth stand is protected, but outside the scope of the NTMP). MRCRM conducted its NTMP/FSC cross-walk using the previous FSC Pacific Coast Standard. The FSC-US standard has new definitions for old-growth that have reduced the minimum size of old-growth stands: Type 1 Old Growth: three acres or more that have never been logged and that display old-growth characteristics. Type 2 Old Growth: 20 acres that have been logged, but which retain significant old-growth structure and functions.	
OBS 2010.1	MRCRM should consider updating its old-growth revision process to account for the new FSC-US definitions and developing tools for landowners or

	resource managers to detect Type 1 and Type 2 characteristics.
Reference	FSC-US standard indicator 6.3.a.3.

Background/ justification: No chemical use by MRCRM group members was detected this year. However, some group members have chemical use options written into their NTMPs. Records of pest occurrence and control measures are required by the new FSC-US standard. Additionally, annual reporting of herbicide use will be required by FSC International next year.

OBS 2010.2	MRCRM should consider developing a mechanism to track and record chemical pesticide and herbicide use on its group member properties consistent with part 4.0 of this report.
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Reference	FSC-US standard indicator 6.6.e.
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Background/ justification: MRCRM has FSC logo usage procedures and all requests for logo usage must be communicated via MRCRM to the certification body as established on page 7 of the program manual. As it is likely that most group members will use the logo in conjunction with other FSC trademarks, this is likely to be covered in the certification body's review of trademark and logo usage.

OBS 2010.3	MRCRM should consider using the more inclusive term, FSC trademarks, in its program manual terminology to ensure full coverage of all protected FSC trademarks (e.g., logos, claims) in its group management procedures.
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Reference	FSC-30-005 indicator 9.4
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7.0 Stakeholder Comment

SCS conducts stakeholder outreach as part of annual audits in order to assess on-going conformance to the applicable FSC standards. Stakeholder consultation activities can include telephone calls, written letters, emails or consultation in the field. The results of stakeholder consultation activities are summarized below. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS have been noted.

Box 7.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable	
SCS did not receive any comments from interested parties as a result of stakeholder outreach activities during this annual audit.	<input checked="" type="checkbox"/>

8.0 Certification Decision

Box 8.1 Surveillance Decision	
The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs.	
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9.0 Current list of Non-SLIMF FMUs

Name	Contact information	Latitude/ longitude of Non-SLIMF FMUs	
Jackson Demonstration State Forest	802 North Main Street Fort Bragg, CA 95437-3019 (707) 964-5674 www.jacksonforest.com	39°22’47.45” N	123°39’32.38” W

New Non-SLIMF FMUs must be added to FSC database.

Check here if national legal restrictions do not permit making information on the names, contact information, and/or geographical location of Non-SLIMF FMUs available to the public. Include the name of the state/province and country here:

