

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

Humboldt Redwood Company, LLC

Northern California, USA

SCS-FM/COC-00120N

P.O. Box 712

Scotia, California 95565 – United States of America

Gretchen Woessner, Stewardship Administrator

gwoessner@hrcllc.com

<http://www.hrcllc.com/>

CERTIFIED	EXPIRATION
01/Dec/2014	30/Nov/2019

DATE OF FIELD AUDIT
30 September – 1 October 2015
DATE OF LAST UPDATE
29/Dec/2013

SCS Contact:
Brendan Grady | Director
Forest Management Certification
+1.510.452.8000
bgrady@scsglobalservices.com

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Foreword

Cycle in annual surveillance audits			
<input checked="" type="checkbox"/> 1 st annual audit	<input type="checkbox"/> 2 nd annual audit	<input type="checkbox"/> 3 rd annual audit	<input type="checkbox"/> 4 th annual audit
Name of Forest Management Enterprise (FME) and abbreviation used in this report:			
Humboldt Redwood Company, LLC (HRC)			

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing conformance with the requirements and standards of certification. A public summary of the initial evaluation is available on the FSC Certificate Database <http://info.fsc.org/>.

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 (CARs; see discussion in section 4.0 for those CARs and their disposition as a result of this annual audit);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to this audit; and
- 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.

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 90 days after completion of the on-site audit. Section B contains more detailed results and information for the use by the FME.

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SECTION A – PUBLIC SUMMARY

1. General Information

1.1 Annual Audit Team

Auditor Name	Dr. Robert J. Hrubes	Auditor Role:	Lead auditor
Qualifications:	<p>Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 40 years of professional experience in both private and public forest management issues. He is presently Executive Vice-President of SCS Global Services. Preceding his serving as team leader for the Shasta and Red River Forests re-certification evaluation, Dr. Hrubes has extensive prior experience and involvement in the SCS Forest Conservation Program, duly accredited by the Forest Stewardship Council. Early on in the program’s history, Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led numerous audits under the SCS Forest Conservation Program of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Brazil, Japan, Malaysia, Papua New Guinea, Australia and New Zealand. Dr. Hrubes holds graduate degrees in forest economics (Ph.D.), economics (M.A.) and resource systems management (M.S.) from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University. He was employed for 14 years, in a variety of positions ranging from research forester to operations research analyst to planning team leader, by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been a member of the Executive Team at SCS since February, 2000.</p>		
Auditor Name:	Brendan Grady	Auditor role:	Team auditor
Qualifications:	<p>Mr. Grady is the Director, Forest Management Certification for SCS. In that role, he provides daily management and quality control for the program. He participated as a team member and lead auditor in forest certification audits throughout the United States, Europe, and South East Asia. Brendan has a B.S. in Forestry from the University of California, Berkeley, and a Juris Doctorate from the University of Washington School of Law. Brendan is a member of the State Bar of California, and was an attorney in private practice focusing on environmental law before returning to SCS.</p>		

1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	2
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	3
D. Total number of person days used in evaluation:	7.0

1.3 Standards Employed

1.3.1. Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
FSC-US Forest Management Standard	1.0	July 8, 2010
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Standards page (www.scsglobalservices.com/certification-standards-and-program-documents). Standards are also available, upon request, from SCS Global Services (www.SCSGlobalServices.com).		

2 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

September 30, 2015	
FMU/Location/ sites visited	Activities/Notes
HRC Offices	Opening Meeting: Introductions, client update, review audit scope, audit plan, intro/update to FSC and SCS standards and protocols, review of open CARs/OBS, final site selection
Field visits (PM) (Hrubes)	<p>Double Deuce THP (in Freshwater drainage):</p> <ul style="list-style-type: none"> Examined unit 4, a group selection harvest Objective to establish a new age class cohort and foster greater redwood in the species mix Interviewed Rich Young, a logger for Steve Wells Logging First-aid and spill kits were found present on the site <p>Around Gills THP (in Freshwater drainage):</p> <ul style="list-style-type: none"> Unit is marked but not yet harvested <p>McDoe THP (in Elk River drainage):</p> <ul style="list-style-type: none"> Interviewed Bill Little of Chambers Logging (Fortuna) <p>2015 Stream Restoration Project (Elk River):</p> <ul style="list-style-type: none"> Project site is adjacent to the Boy Scout camp that HRC leases to the Scouts \$12k investment on in-stream structures Restoration objective is to introduce LWD into watercourse
Field visits (PM) (Grady)	<p>Square Root THP:</p> <ul style="list-style-type: none"> Examined new road construction. Botany survey procedures, inspection of heavy machinery. Road maintenance and, culvert installation Review of marked stand and timber marking procedures. Silvicultural goal was to remove half to a third of basal area using single tree and small group selection. <p>Strong Armed THP:</p>

	<ul style="list-style-type: none"> Reviewed post-harvest area, single tree selection silviculture. Review of regeneration practices - planting largely not necessary unless 1-2 acre group openings are used. Meadow area adjacent to the harvest unit was designated as no entry. Inspection of active logging operations. Yarding operation on steeper slope areas, contractor interview, equipment inspection, innovative use of equipment and low residual stand damage. Ground skidding operation on flatter areas, with a separate logging contractor. Reviewed operational plans and harvesting procedures.
October 1st, 2015	
FMU/Location/ sites visited	Activities/Notes
Field visits (both Auditors)	<p>Mini 2 THP:</p> <ul style="list-style-type: none"> Pesticide application using frilling (aka hack and squirt), focused on tanoak control. Review of pesticide planning and implementation. Treatment was done two years following a selection harvest, following standard silvicultural practices. Reviewed HRC's pesticide monitoring efforts, research projects, and other related activities. <p>Blanton THP:</p> <ul style="list-style-type: none"> Pre-commercial thinning prescription on ten year old planted stand. Research plot studying shade effects on growth. Reviewed commercial thinning area, with geologic exclusion area. Low residual stand damage Logging contractor interview <p>Lawrence Creek habitat project:</p> <ul style="list-style-type: none"> off channel habitat enhancement project, a small pond was designed and constructed to be a refuge for fish during high water flows provide a rest area to break up the riffle and run of the main channel project was done in conjunction with NOAA. <p>Yager Creek bridge replacement:</p> <ul style="list-style-type: none"> on mainline road accessing Yager units reviewed transportation system monitoring and repair activities \$800k capital expenditure
HRC Offices (PM)	Closing Meeting Preparation: Auditor team takes time to consolidate and compare notes and confirm audit findings
	Closing Meeting and Review of Findings: Convened with all relevant staff to summarize audit findings, potential non-conformities and

	next steps
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2.2 Evaluation of Management Systems

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME’s conformance to FSC standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

3. Changes in Management Practices

No significant changes in HRC’s management practices occurred since the last audit.

4. Results of the Evaluation

4.1 Existing Corrective Action Requests and Observations

Finding Number: OBS 2014.1	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	1.4.a.
Issue: During the course of the audit, key HRC staff stated their understanding that under the CA Forest Practices Act, it would be a forest practice violation to restore meadows by commercially clearing encroaching coniferous and hardwood trees and then not replanting to meet minimum post-harvest stocking requirements. That is, key HRC staff have been of the opinion that meadow restoration conflicts with legal requirements. However, and subsequent to the audit, the HRC’s Vice President for Forestry Operations found a rule in the Forest Practice Regulations that would appear to provide a procedural pathway by which meadow restoration would not conflict with legal requirements.	

Observation: HRC senior managers and key staff should collectively endeavor to establish a common and legally compliant understanding of the procedural steps for undertaking meadow restoration in a manner that does not conflict with the legal requirements of the California Forest Practices Act, in order that meadow restoration activities can be commenced.	
FME Response (including any evidence submitted)	<i>Following HRC's 2014 FSC Audit; Dennis Thibeault engaged in discussions with Senior staff regarding HRC's considerations for naturally occurring meadows and wet areas. These discussions were followed by company-wide email giving direction on the matter. It is HRC's intent to manage naturally occurring meadows and wet areas in current condition. There is no plan to reforest these naturally occurring open spaces and reforestation efforts should not be considered. Many of these areas are reforesting naturally as a result of the exclusion of fire and meadow restoration may be needed. FPR Special Prescription 913.4 (e) should be referred to when considering this option. (Attachment A)</i> <i>In addition, the subject was added to the HRC Management Plan (Attachment B) within the Silviculture, Regeneration, and Fire Protection section.</i> <i>Dennis Thibeault (VP Forestry)- 707.463.5112</i>
SCS Review	The 2015 SCS audit team concludes that the purpose of this Observation has been served, that HRC has engaged in responsive actions and that there is not a need to keep this Observation open.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: OBS 2014.2	
Select one:	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	4.1.b.
Issue: Ongoing consolidation of the HRC and MRC management structure into more centralized/corporate lines of reporting has resulted in reductions in the number of positions at the individual "company level" and substantial changes in the duties of remaining positions. Coupled with additional staff losses due to voluntary resignations, the continual demands of managing this forest operation are now placed on fewer people. The stresses unavoidably brought on by such changes have had an effect on workplace morale, in potential conflict with the FSC expectation that "forest work is offered in ways that create high quality job opportunities for employees."	
Observation: There are opportunities for senior management to undertake human resource measures aimed at ameliorating the adverse consequences, actual and potential, of workforce changes and "making do with less."	

FME Response (including any evidence submitted)	<i>HRC prefers to discuss this observation during the 2015 FSC Surveillance Audit. Dennis Thibeault will address with the auditors in person.</i> <i>Dennis Thibeault (VP Forestry)- 707.463.5112</i>
SCS Review	The 2015 SCS audit team concludes that the purpose of this Observation has been served and that there is not a need for keeping it open.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: OBS 2014.3	
Select one:	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	4.4.a.
<p>Issue: The ongoing adverse local community reactions to HRC’s management activities in the Elk River watershed and planned management activities in the Mattole River watershed underscore the ongoing need for HRC personnel, at all levels, to strive to understand the likely social impacts of management activities and to incorporate this understanding into management planning and operations.</p>	
<p>Observation: There remain opportunities for HRC personnel to enhance and modify means/modes of communication with affected stakeholders so as to better understand their concerns and to potentially diffuse such concerns by reducing stakeholder misapprehension and uncertainty. Conformance to this requirement would be enhanced by actions taken that demonstrate how stakeholder opinion and social impacts have been explicitly incorporated into management planning and operations.</p>	

<p>FME Response (including any evidence submitted)</p>	<p><i>HRC has taken steps to enhance communication with affected stakeholders as well as communication of stakeholders' concerns to key staff. Area Forest Managers speak directly with stakeholders that have concerns over planning and operations in their areas. Often times the Area Managers bring in other staff to assist in addressing and resolving issues.</i></p> <p><i>In the North the large issue remains the Elk River Watershed and residents' concerns over harvest, flooding, and sedimentation. Tom Schultz has spoken and had field visits with one resident (Kristi Wrigley) multiple times in regards to a harvest plan adjacent to her property. All of her pre-operational concerns were addressed and she has not brought any further issues forward regarding the plan. Similar smaller issues have existed over the past year such as a neighbour in the north along Kneeland Road concerned with adjacent logging activity and possibility of heavy equipment using his road. In response to this, the plan forester met with the landowner, answered all his questions and the issue was resolved.</i></p> <p><i>In the South Property the large issue has been Harvest in the Mattole watershed. Over the past year HRC representatives have met with different interest groups including concerned Mattole residents, Mattole forest defenders, Mattole Restoration Council and EPIC in varying venues such as individual conversations, small group meetings, field trips to the Mattole, and a larger meeting with all interested stakeholders taking place in October of 2014 (notes available upon request). Stakeholder input was considered in making final decisions regarding operations in current harvest plans within the Mattole. An example of a smaller issue in the South property includes storm damage to adjacent property when Cummings Creek flooded and re-routed through Shakefork farm during a large February rain event. The Area Manager, along with local, state, and federal agencies assisted with getting the water flow back into the natural channel. The assistance was successful and property owners were grateful for the help. Over the past year, HRC staff has improved the monitoring and sharing of Stakeholder concern through a less restrictive process of communicating these as explained in HRC response to Obs. 2014.12 above.</i></p> <p><i>Tom Schultz (Forest Area Manager North)-707.764.4408</i> <i>Ben Hawk (Forest Area Manager South)-707.764.4161</i> <i>Gretchen Woessner (Stewardship Administrator)-707.764.4199</i></p>
<p>SCS Review</p>	<p>The 2015 SCS audit team takes positive note of the additional actions and methods that HRC personnel have employed over the past year with regard to incorporating the results of stakeholder consultation and social impact assessment into management planning and operations. But in the context of the ever public and oftentimes contentious nature of forestry on the North Coast, we conclude that it is beneficial to keep this Observation open for another year so as to continue to draw attention to opportunities to further enhance the manner in which HRC considers public input and social impacts.</p>
<p>Status of OBS:</p>	<p><input type="checkbox"/> Closed</p> <p><input type="checkbox"/> Upgraded to CAR</p> <p><input checked="" type="checkbox"/> Other decision (refer to description above)</p>

Finding Number: OBS 2014.4	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	5.4.b.
Issue: With respect to the requirement in the FSC US National Standard that “the forest owner or manager strives to diversify the economic use of the forest according to Indicator 5.4.a.” the audit team notes that the income generated by the HRC forestland is almost exclusively derived from sawn wood products.	
Observation: HRC managers could better demonstrate that they are “striving to” diversify the economic use of the certified forest by more actively pursuing non-timber economic uses such as carbon offset credits, ecosystem service credits, eco-tourism and non-timber forest products.	
FME Response (including any evidence submitted)	<p><i>HRC has and continues to actively pursue non-timber economic uses of the forestlands through property leases to private, non-profit, and government organizations. These include cattle grazing, road use, telecommunications, and other land leases. Additionally, HRC is currently researching potential for participation in the California carbon credits market for maintaining carbon in standing trees.</i></p> <p><i>Sarah Billig (Director of Stewardship) -707.463.5125</i></p>
SCS Review	The 2015 SCS audit team concludes that the purpose of this Observation has been served; the Observation is closed.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: CAR 2014.5	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	5.6.a.

<p>Non-Conformity: HRC has demonstrated that it is harvesting at levels at or below maximum sustained yield through an “Option A” analysis/document that is appended to all Timber Harvest Plans (THPs). Though HRC has owned and operated this forest estate for over 5 years, it is still operating under an Option A that was developed by the previous owner, Pacific Lumber Company. The Pacific Lumber Option A was developed on the premise of even-aged management, extensive clearcutting and long-term harvest patterns that collectively are irrelevant to HRC’s management intent, plans and practices.</p> <p>In conflict with the requirements of the FSC US National Standard, HRC’s sustained yield harvest level calculation is not based on silvicultural practices that it is employing on the forest estate; nor is the sustained yield harvest level calculation based on HRC’s (rather than PL’s) management objectives and desired future conditions.</p>	
<p>Corrective Action Request: Be it through a new Option A analysis or through another process separate from the California Forest Practice Regulations, HRC must develop and make publicly available a sustained yield harvest level calculation that is based on current inventory data as well as silvicultural systems and prescriptions that HRC is utilizing or intends to utilize. The sustained yield analysis must be based on HRC’s management practices and HRC’s desired future conditions for the certified forest.</p>	
<p>FME response (including any evidence submitted)</p>	<p><i>HRC has completed a forest inventory and conducted modelling necessary for future landscape planning. Updates to HRC’s Option A including the sustained yield analysis will be publicly available following a complete review process.</i></p> <p><i>Dennis Thibeault (VP Forestry)- 707.463.5112</i> <i>Eric Johnson (Inventory Forester)-707.764-4198</i></p>
<p>SCS review</p>	<p>While HRC has completed a new forest inventory and commenced sustained yield modelling and periodic harvest scheduling, the work is ongoing and updated and publicly available results have not yet been issued, which will be in the form of an updated “Option A” document under the California forest practice regulations. As the requested actions have not yet been completed, the 2015 SCS audit team is obligated to raise this Minor CAR to a Major Corrective Action Request, which must be closed within 3 months of HRC’s receipt of the 2015 audit report. See Major CAR 2015.1.</p>
<p>Status of CAR:</p>	<p><input type="checkbox"/> Closed</p> <p><input checked="" type="checkbox"/> Upgraded to Major</p> <p><input type="checkbox"/> Other decision (refer to description above)</p>

<p>Finding Number: CAR 2014.6</p>	
<p>Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation</p>	
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification</p> <p><input type="checkbox"/> 3 months from Issuance of Final Report</p> <p><input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation)</p> <p><input type="checkbox"/> Other deadline (specify):</p>
<p>FSC Indicator:</p>	<p>6.3.a.3.</p>

Non-Conformity: Dialogue between HRC personnel and interested stakeholders, as well as dialogue between HRC personnel and the audit team, regarding the company's evolving plans for their lands in the Mattole River watershed reveals inconsistencies, confusion and possible failures to properly identify and classify areas of the ownership that qualify as FSC Type 1 and Type 2 Old Growth. During the audit team's site reconnaissance of the Long Ridge THP, a stand was observed that potentially qualified as Type 2 and even possibly—depending on its size—Type 1 Old Growth. Presently, a new logging road is being planned to go through this stand.

The audit team was also informed that HRC has adopted a numerical threshold of 6 old growth trees per acre for delineating Type 2 Old Growth. The basis for this threshold has not been documented and justified. As well, it remains unclear how this numerical threshold is utilized, operationally, given the company's policy that no old growth trees on the property will be harvested other than for safety and road access reasons.

Corrective Action Request: HRC must: a) undertake additional training and calibration efforts, as appropriate, to assure that all company or contract personnel involved with identifying trees that meet the company's old growth definition and involved with identifying and delineating all areas meeting the FSC definition of Type 1 and Type 2 Old Growth stands are doing so in a manner that assures conformity to Indicator 6.3.a.3.; b) document and justify the numerical TPA threshold for identifying and delineating Type 2 Old Growth stands; c) utilizing HRC personnel that are properly trained in OG delineation, revisit the stand that the audit team walked through during its reconnaissance of the Long Ridge THP to confirm whether or not that stand merits designation as Type 1 or Type 2 Old Growth.

<p>FME response (including any evidence submitted)</p>	<p><i>HRC Forest Managers have been actively engaged with staff regarding identifying and delineating Type 1 and Type 2 old growth stands. Sarah Billig provided a Forestry staff training on August 21, 2015 regarding HCVF, RSA and Type 1 and Type 2 Old Growth forest characteristics (Attachment C). Additionally, a GIS data layer has been made available to Area Managers and explained to forestry staff to assist in verifying current Type 1 and Type 2 old growth stands as well as delineate future stands that have been identified as having potential to meet these definitions.</i></p> <p><i>HRC's Old Growth Policy is stated in the HRC Management Plan as is the Previously-harvested Old Growth Stand Policy which further defines these stands as being 20 acres or more with at least six old growth trees per acre. The numerical threshold of six old growth trees per acre came from personal communications with Greg Guisti (Director of Agriculture and Natural Resources of the University of California Cooperative Extension in Lake and Mendocino Counties). This threshold is also supported by the following documents:</i></p> <p><i>Franklin, J.F. and Spies, T.A. 1984. Characteristics of Old Growth Douglas Fir Forests.</i></p> <p><i>Franklin, J.F. and Spies, T.A. 1991. Composition, Function, and Structure of Old Growth Douglas Fir Forests.</i></p> <p><i>Bolsinger, Charles L.; Waddell, Karen L. 1993. Area of old-growth forests in California, Oregon, and Washington. Research Bulletin PNW-FIB-197. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station.</i></p> <p><i>Old-Growth Definition Task Force, 1986. Interim definitions for old-growth Douglas-fir and mixed conifer forests in the Pacific Northwest and California. USDA Forest Service, Pacific Northwest Research Station Research Note PNW-447</i></p> <p><i>Further, since an old growth Type 2 stand is a stand that has experienced harvest, including presumably harvest of old growth, it is recognized that an OG Type 1 stand would also have at minimum six old growth trees per acre, and typically more.</i></p>
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<p>FME response (cont'd)</p>	<p><i>On September 16, 2015 Deakon Duey (RPF) and Jeff Smith (Forester) walked through the Long Ridge THP potential OG Stand that was evaluated by the audit team during last year's inspection to determine whether it merits designation as Type 1 or Type 2 Old Growth using the definitions stated in the HRC Management Plan.</i></p> <p><i>During this stand investigation HRC personnel conducted a 100% tally of old growth trees on a 10 acre area within the late seral timber type designated as MHC6D on the WHR GIS layer, which is generated from the most recent inventory data. On this investigation 48 Douglas fir OG trees and 1 OG madrone trees were tallied, which puts the average OG trees per acre at 4.9, slightly short of the requirement for Type 1 or Type 2. Worthy of mentioning is that one small area approximately 1.25 acres in size and located within the Long Ridge Cable THP harvest area, had an average of 9.6 OG trees per acre being retained post-harvest. Another interesting observation made during this investigation was that remnants of a truck road, skid trail and past timber harvesting were found within 50 feet of Alwardt Creek; an area previously thought by some stakeholders to be un-entered OG forest. Based on all information gathered HRC as determined that there are no Type 1 or Type 2 forest stands in this area.</i></p> <p><i>Ben Hawk (Forest Area Manager South)-707.764.4161 Tom Schultz (Forest Area Manager North)-707.764.4408 Deakon Duey (RPF South)-707.764.4123</i></p>
<p>SCS review</p>	<p>The 2015 audit team concludes that closure of this CAR is warranted on the basis of the corrective actions undertaken by HRC personnel.</p>
<p>Status of CAR:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)</p>

<p>Finding Number: OBS 2014.7</p>	
<p>Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A</p>
<p>FSC Indicator:</p>	<p>6.3.e.</p>
<p>Issue: When planting is employed, this FSC Indicator requires that a local source of known provenance is used when available and when the local source is equivalent in terms of quality, price and productivity.</p>	
<p>Observation: There is an opportunity for HRC to better record/track the geographic origin of seed collection and cutting zones from which material is gathered for propagation/development of planting stock.</p>	

FME response <i>(including any evidence submitted)</i>	<i>HRC hired a reforestation Forester in 2014 who tracks origins and planting locations of all seedlings and cultivars planted on the property down to the California Tree Seed Zone. He also ensures that all transfer rules are followed. This information is readily available and the system can be discussed with the Auditors upon request.</i> <i>Brian Broznitsky (Reforestation Forester)-707.764.4144</i>
SCS review	The 2015 audit team concludes that closure of this Observation is warranted.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: CAR 2014.8	
Select one:	<input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	6.4.d.
<p>Non-Conformity: Criterion 6.4 establishes the process for assessing, designating and managing Representative Sample Areas (RSAs) on the FMU. Field reconnaissance and interviews with foresters during the audit indicated that HRC is considering options to amend their RSA designations. However, key HRC staff do not presently have a thorough understanding of the steps required by the Standard. Under Criterion 6.4, the RSA assessment (Indicator 6.4.a) must be periodically reviewed and, if necessary, updated in order to determine if the need for RSAs has changed. If so, the designation of RSAs (Indicator 6.4.b) must be revised, accordingly. While updating the RSA designations is a viable option for HRC, the company must do so in compliance with the process prescribed by the Standard.</p>	
<p>Corrective Action Request: If areas within the Mattole River watershed, or elsewhere, are to be designated as Representative Sample Areas (RSA's), such designation must be consistent with an updated landscape-scale gap assessment of the current network of protected areas. For the possible designation of stands possessing old growth characteristics, the gap analysis should focus on the extent of protected areas of similar species composition, origin and developmental stage. In short, designation of RSA's in the Mattole must be associated with a supporting, landscape-scale assessment.</p>	

<p>FME response (including any evidence submitted)</p>	<p><i>HRC has received concerns from stakeholders regarding harvest in the Mattole Watershed, more specifically, the alleged harvest of Old Growth forest stands in the Mattole. The matter is further complicated by the presence of mature Douglas Forest trees and stands that do not meet HRC’s Old Growth Tree and Stand Policies criteria for protection. HRC recognizes that these forest stands have unique characteristics and value, as do other forest successional stages. HRC has spent much time and resources understanding stakeholder concerns, reviewing internal policies and considering the potential outcomes of the currently approved THPs in the Mattole watershed (Long Ridge 12-026, Diamondback 13-130, and Long Reach 14-034) as well as potential impacts from future THPs within the watershed. At the time of the last audit, HRC was in the early stages of reviewing all of these considerations. One of the possibilities considered within the Mattole watershed was delineating RSA’s within the current proposed harvest areas. However, after a more thorough review as well as several field visits HRC has not found evidence that warrants the RSA designation. In regard to the Mattole watershed, HRC has established a 203 acre HCVF along Long Ridge and found no Type 1 and Type 2 forest stands within the three current THPs (No un-entered stands 3 acres or greater, or previously entered stands 20 acres or greater with the minimum 6 old growth trees per acre). During field reconnaissance, scattered old growth trees, a younger Douglas fir cohort in excess of 100 years of age, and other characteristics that denote a stand approaching old growth conditions, including large snags and down wood, and large hardwoods were observed and recognized. HRC believes these ecologically important elements will be adequately protected under the management policies including:</i></p> <ol style="list-style-type: none"> <i>1. Retention of all old-growth (except for potentially one or two trees needing to be felled for road construction; which are then to be left in the forest as down wood important as both habitat and future soil development)</i> <i>2. Establishment of 30’ to 100’ and greater no harvest zones along Class I and II watercourses, which is where these south facing forests tend to concentrate the oldest and most decadent structure</i> <i>3. Use of selection silviculture in Class III riparian management zones</i> <i>4. Retention of high value wildlife trees and live culls pursuant to an established point system scorecard; these are generally older, larger diameter trees that have unique characteristics such as complex crowns, large limbs, epicormic branching, broken tops, and/or cavities</i> <i>5. Retention of ALL snags and down wood</i> <i>6. Retention of large hardwoods</i> <p><i>HRC believes that these practices will conserve existing late seral forest associated structure as well as maintain an important cohort that will continue to provide for both high quality timber products and ecological value into the future.</i></p> <p><i>Ben Hawk (Forest Area Manager South)-707.764.4161</i> <i>Mike Miles (Director of Forest Science)-707.764.4173</i></p>
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SCS review	The 2015 audit concludes that HRC has pursued an appropriate alternative course of action with respect to identifying and protecting special values associated with its forest areas in the Mattole. And in doing so, HRC has demonstrated a better understanding of the salient distinctions between representative sample areas (RSA's) and areas possessing high conservation values (HCV) in the FSC system. Coupled with the company's ongoing commitment to protect all trees meeting its definition of old growth, the audit team concludes that an adequate set of safeguards have been put in place for the Mattole. Accordingly, closure of this Minor CAR is warranted.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: OBS 2014.9	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	6.5.h.
<p>Issue: Per Indicator 6.5.h, grazing by domesticated animals must be controlled to protect in-stream habitats and water quality, the species composition and viability of the riparian vegetation, and the banks of the stream channel from erosion. Whilecattle grazing is a limited activity on the HRC forest estate, there are a few allotments such as in the Mattole. The audit team has been informed that the company has developed new BMPs for grazing that encourage avoidance of damage to riparian areas and stream zones and that these new BMPs are being implemented as new grazing leases are signed. Given that the BMPs are new, it is not yet known whether they effectively improve protection of aquatic habitat from grazing impacts.</p>	
<p>Observation: There is an opportunity for HRC personnel to confirm that the updated BMPs are achieving desired outcomes with regard to resource protection.</p>	

<p>FME response (including any evidence submitted)</p>	<p>HRC currently has five grazing leases on the ownership. These leases either have a Grazing Management Plan (technically called Resource Inventory and Conservation Plan) completed in conjunction with Natural Resource Conservation Service or are in the process of developing such a plan. These plans address measures to ensure impacts do not occur to watercourses and roads, especially in the winter period. Measures are also included to ensure overgrazing and introduction of weeds through supplemental feed does not occur. HRC monitors the effectiveness of these plans through our Annual Road Inspection Program (ARIP), physical inspections of watercourses and grazing areas, and observations made at Aquatic Trends Monitoring (ATM) stations by HRC aquatic biologists.</p> <p>Forest Managers Ben Hawk and Tom Schultz and Aquatic Biologist Julie Donnell were interviewed in August of 2015 as to effectiveness of these plans. Watercourses and grazing areas observed through the above mentioned methods do not show signs of grazing impacts but there is one exception. Julie Donnell reports cattle have access to Monument Creek resulting in impacts to riparian vegetation. There are two grazing leases in this area. One has a draft Grazing Management Plan that is being finalized at the Natural Resource Conservation Service. The second one is in the process of developing such a plan but most, if not all, of the off channel water development sites have been completed. HRC will ensure the final Grazing Management Plans include measures to eliminate this activity in Monument Creek.</p> <p>Periodically, trespass cows from neighboring ranches are observed on the HRC ownership. These are quickly dealt with and returned back to the ranch in which they belong. An example of a current Resource Inventory and Conservation Plan is included as Attachment D</p> <p>HRC personnel will continue to monitor these leases to ensure resources are protected.</p> <p>John Andersen (Director Forest Policy)-707.962.2820 Tom Schultz (Forest Area Manager North)-707.764-4408 Ben Hawk (Forest Area Manager South)-707.764.4161</p>
<p>SCS review</p>	<p>On the basis of the actions undertaken by HRC personnel, the 2015 audit team concludes that closure of this Observation is warranted.</p>
<p>Status of OBS:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)</p>

Finding Number: OBS 2014.10	
<p>Select one:</p>	<p><input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A</p>
<p>FSC Indicator:</p>	<p>6.10.e.</p>

<p>Issue: Many stakeholders involved in the Mattole THPs are of the understanding that the company is planning to convert meadows by planting conifers, both Douglas fir and redwood. Conversion of meadows is not well received by these stakeholders. Further, the FSC US National Standard accepts such type conversions only if clearly justified relative to the company’s biodiversity conservation objectives and if it is fully documented in the management plan. During the course of the audit, the audit team was assured by key HRC personnel that the company is not, in fact, planning to engage in conversion of meadows.</p>	
<p>Observation: It would be helpful for HRC to make widely known what it assured the audit team, that HRC has no intent to plant redwoods or other tree species in areas that are natural meadows.</p>	
<p>FME response (including any evidence submitted)</p>	<p>See HRC Response to Obs. 2014.1 above</p>
<p>SCS review</p>	<p>Closure of this Observation is warranted.</p>
<p>Status of OBS:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)</p>

<p>Finding Number: OBS 2014.11</p>	
<p>Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A</p>
<p>FSC Indicator:</p>	<p>7.1.e.</p>
<p>Issue: The management plan for FSC-certified forests is expected to include a description of the following resources and outlines activities to conserve and/or protect:</p> <ul style="list-style-type: none"> • rare, threatened, or endangered species and natural communities (see Criterion 6.2); • plant species and community diversity and wildlife habitats (see Criterion 6.3); • water resources (see Criterion 6.5); • soil resources (see Criterion 6.3); • Representative Sample Areas (see Criterion 6.4); • High Conservation Value Forests (see Principle 9); • Other special management areas. <p>Specifically in relation to CAR 2014.8, the activities around designating, managing and conserving/protecting RSAs may soon be updated. If this occurs, the RSA description in the management plan would need to be updated accordingly.</p>	
<p>Observation: If and when an update of RSA designation occurs, the process and any resultant changes in RSA designation and management should be thoroughly described in the HRC management plan. More generally, the HRC management plan does not adequately incorporate the company’s current management intent and objectives for its property in the Mattole River watershed.</p>	

FME response <i>(including any evidence submitted)</i>	<i>HRC has determined that no RSAs will be designated within the Mattole River watershed. The Management Plan was updated in 2015 to reflect current management activities (http://www.hrcllc.com/plans-reports/management-plan/ or Attachment B). Management Intent and objectives in the Mattole watershed are the same as those applied property-wide.</i> <i>Sarah Billig (Director of Stewardship) -707.463.5125 Ben Hawk (Forest Area Manager South)-707.764.4161 Mike Miles (Director of Forest Science)-707.764.4173</i>
SCS review	The 2015 audit team concludes that closure of this Observation is warranted.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: OBS 2014.12	
Select one:	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	7.1.j.
Issue: Per Indicator 7.1.j, the management plan must incorporate the results of the evaluation of social impacts. While numerous examples of HRC's methods for assessing and monitoring social impacts were presented during the audit, the presentation of results from these activities is lacking.	
Observation: There remain opportunities for HRC to more effectively present the results of the company's social impact assessment and monitoring efforts.	
FME response <i>(including any evidence submitted)</i>	<i>HRC takes multiple approaches to monitor and assess social impacts. New for 2014, HRC completed a Social-Economic report summarizing key matters of the year. (Attachment E) In regard to monitoring, the Stewardship Director serves as the collector of all stakeholder communications. These come in the form of forwarded emails, stewardship forms, brief write-ups, personal communications, and/or regular online media searches. Information is passed on to relevant personnel to make them aware of concerns/activities.</i> <i>Gretchen Woessner (Stewardship Administrator)-707.764-4199</i>
SCS review	The 2015 audit team concludes that it is appropriate to close this Observation.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: CAR 2014.13	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	7.2.a.
<p>Non-Conformity: In discussion with HRC staff, the audit team learned of the property-wide forest inventory that was completed in 2013. This undertaking represents a substantial improvement over the previous inventory data last collected by the Pacific Lumber Company and should support more accurate management planning. However, this new technical information has not yet been incorporated into the HRC management plan, which must be kept up to date.</p>	
<p>Corrective Action Request: HRC must undertake an update of its management plan to incorporate the property-wide forest inventory that was completed in 2013. The updates must be made publicly available.</p>	
FME response (including any evidence submitted)	<p><i>The most recent property-wide forest inventory has been completed and the methodology has is included in the updated HRC Management Plan available online (http://www.hrllc.com/plans-reports/management-plan/ or Attachment B). Inventory data was used for modelling and is being utilized for HRCs revision of the Option A which will be publicly released in 2016 following appropriate review.</i></p> <p><i>Dennis Thibeault (VP Forestry)- 707.463.5112</i> <i>Mike Jani (President/Chief Forester)-707.463.5114</i></p>
SCS review	Closure of this CAR is warranted on the basis of the corrective actions undertaken by HRC.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: CAR 2014.14	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	7.3.a.

<p>Non-Conformity: In the course of conducting field reconnaissance of timber harvest operations during the audit, the team was informed on several occasions that the harvest mark being observed was not exactly what the managers considered to be fully what was intended. Commonly, HRC timber markers are entry level personnel, oftentimes summer employees, who are not put through a structured and formal training process. The current approach to training timber markers does not adequately meet the requirement, in the certification standard, that workers are qualified to properly implement the management plan and that all forest workers are provided with sufficient guidance and supervision to adequately implement their respective components of the plan.</p>	
<p>Corrective Action Request: HRC must undertake additional measures including modifying existing training procedures to assure that individuals assigned the critical task of marking trees for harvest are doing so in full and consistent conformance with the company's policies, objectives and guidelines.</p>	
<p>FME response (including any evidence submitted)</p>	<p><i>HRC Forestry Management discussed these concerns and produced a Marking Guideline document to serve as a guidance document for forestry staff. Forest Area Managers provided training to their staffs distributed and discussed the guidelines in detail. Forest Area Managers also periodically follow up with staff members in the field to ensure guidelines are being followed and to resolve any questions. Timber Marking Guidelines and staff training documentation included as Attachment F.</i></p> <p><i>John Andersen (Director Forest Policy)-707.962.2820 Tom Schultz (Forest Area Manager North)-707.764-4408 Ben Hawk (Forest Area Manager South)-707.764.4161</i></p>
<p>SCS review</p>	<p>In light of the corrective actions undertaken by HRC personnel, the 2015 audit team concludes that closure of this CAR is warranted.</p>
<p>Status of CAR:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)</p>

<p>Finding Number: OBS 2014.15</p>	
<p>Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A</p>
<p>FSC Indicator:</p>	<p>8.2.c.</p>

<p>Issue: Indicator 8.2.c, requires that the forest owner or manager periodically obtains data needed to monitor presence on the FMU of:</p> <ol style="list-style-type: none"> 1. Rare, threatened and endangered species and/or their <i>habitats</i>; 2. Common and rare plant communities and/or habitat; 3. Location, presence and abundance of invasive species; 4. Condition of protected areas, set-asides and buffer zones; 5. High Conservation Value Forests (see Criterion 9.4). <p>At present, HRC has no structured and documented system for monitoring the condition of non-timber RSA types such as White Oak Woodland or meadows.</p>	
<p>Observation: There is an opportunity for HRC to enhance its approach to RSA management by developing and documenting a system or set of procedures for monitoring the ongoing condition of non-timber RSA types.</p>	
<p>FME response (including any evidence submitted)</p>	<p><i>The HRC Management Plan has been updated with the current monitoring procedures for all non-timber RSA types which include: Peregrine falcon eyries/nest cliffs, True oaks, Prairies, Serpentine outcrops, and ponds and Humboldt milk-vetch sites. (See pages 47-51 of HRC MP Attachment B)</i></p> <p><i>Sarah Billig (Director of Stewardship) -707.463.5125</i> <i>Sal Chinnici (Forest Science Manager) – 707.764.4299</i></p>
<p>SCS review</p>	<p>The 2015 audit team is satisfied that the purpose of this Observation has been served; accordingly, it is now closed.</p>
<p>Status of OBS:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)</p>

Finding Number: OBS 2014.16	
<p>Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p>Deadline</p>	<p><input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A</p>
<p>FSC Indicator:</p>	<p>8.2.d.3</p>
<p>Issue: Indicator 8.2.d.3 requires that the landowner or manager monitors relevant socio-economic issues (see Indicator 4.4.a), including the social impacts of harvesting, participation in local economic opportunities (see Indicator 4.1.g), the creation and/or maintenance of quality job opportunities (see Indicator 4.1.b), and local purchasing opportunities (see Indicator 4.1.e). The last year of reporting on social monitoring in the HRC management plan, posted on the company web site, is 2011. Although monitoring past 2011 has been demonstrated through other evidence, the impression from reading the management plan is that it has stopped.</p>	
<p>Observation: Conformity to Indicator 8.2.d.3 would be better demonstrated if the social monitoring section of the management plan was more frequently kept up to date.</p>	

FME response (including any evidence submitted)	<i>The Social Monitoring section of the Management Plan has been updated as have key indicators on the HRC website at http://www.hrcllc.com/monitoring/economic-social/. Additionally, a Socio-economic report has been completed for 2014; see Obs. 2014.12 (Attachment E)</i> <i>Gretchen Woessner (Stewardship Administrator)-707.764.4199</i>
SCS review	Closed. See new OBS 2015.5.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: OBS 2014.17	
Select one:	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): N/A
FSC Indicator:	8.2.d.4.
Issue: Indicator 8.2.d.4 requires that stakeholder responses to management activities are monitored and recorded as necessary. Due to recent staff changes, the process by which HRC records stakeholder comments and maintains records of stakeholder responses to management activities is under flux.	
Observation: Conformity to Indicator 8.2.d.4. would be enhanced if a standardized procedure for recording stakeholder input is settled upon and consistently employed.	
FME response (including any evidence submitted)	<i>See HRC Response to Obs. 2014.12 above.</i>
SCS review	The 2015 audit team considers that this Observation can be closed.
Status of OBS:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to CAR <input type="checkbox"/> Other decision (refer to description above)

Finding Number: CAR 2014.18	
Select one:	<input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	9.2.a.

Non-Conformity: During the course of the audit, particularly the portion focused on the Long Ridge THP in the Mattole River watershed, the audit team perceived that many HRC personnel are still struggling to acquire a working conversancy with the concept of high conservation value forests. This uncertainty and inconsistent levels of understanding/conversancy amongst the workforce has complicated communications with interested stakeholders and has hindered conformity to the requirement of Indicator 9.2.a that the forest owner or manager holds consultations with stakeholders and experts to confirm that proposed HCVF locations and their attributes have been accurately identified, and that appropriate options for the maintenance of their HCV attributes have been adopted.	
Corrective Action Request: To ensure that stakeholder consultation is effective in confirming that proposed HCVF locations have been accurately identified, HRC must undertake actions that improve staff and, by extension, stakeholder understanding of the HCVF concept, key attributes that are the foci of the HCVF concept, and the process by which areas possessing high conservation values are designated.	
FME response <i>(including any evidence submitted)</i>	<i>See HRC Response to Obs. 2014.6 above</i>
SCS review	On the basis of the actions undertaken by HRC personnel, the 2015 audit team concludes that closure of this CAR is warranted.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

4.2 New Corrective Action Requests and Observations from the 2015 Audit

		Finding Number: 2015.1
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation		(Formerly 2014.5)
FMU CAR/OBS issued to (when more than one FMU): N/A		
Deadline	<input type="checkbox"/> Pre-condition to certification <input checked="" type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):	
FSC Indicator:	5.6.a	
<p>Non-Conformity: From Minor CAR 2014.5: HRC has demonstrated that it is harvesting at levels at or below maximum sustained yield through an "Option A" analysis/document that is appended to all Timber Harvest Plans (THPs). Though HRC has owned and operated this forest estate for over 5 years, it is still operating under an Option A that was developed by the previous owner, Pacific Lumber Company. The Pacific Lumber Option A was developed on the premise of even-aged management, extensive clearcutting and long-term harvest patterns that collectively are irrelevant to HRC's management intent, plans and practices.</p> <p>In conflict with the requirements of the FSC US National Standard, HRC's sustained yield harvest level calculation is not based on silvicultural practices that it is employing on the forest estate; nor is the</p>		

sustained yield harvest level calculation based on HRC's (rather than PL's) management objectives and desired future conditions.	
Corrective Action Request: Formerly Minor CAR 2014.5: Be it through a new Option A analysis or through another process separate from the California Forest Practice Regulations, HRC must develop and make publicly available a sustained yield harvest level calculation that is based on current inventory data as well as silvicultural systems and prescriptions that HRC is utilizing or intends to utilize. The sustained yield analysis must be based on HRC's management practices and HRC's desired future conditions for the certified forest.	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2015.2	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU): N/A	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	6.4.d.
Issue: In CAR 2014.8, a revision of HRC's RSA gap assessment was required as part of a proposed RSA classification in the Mattole watershed. This proposal was ultimately not pursued, removing the immediate need for a revision of HRC's RSA classifications. However, regardless of whether HRC chooses to designate additional RSAs, a review and update of the RSA gap assessment is required no less frequently than every 10 years by the standard. HRC's own plans indicate that it should be done more frequently than this.	
Observation: To avoid a future non-conformity, HRC managers should be aware that the company's RSA gap assessment will need to be updated within 10 years of its most recent assessment, completed in preparation for HRC's initial certification evaluation in 2009.	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2015.3	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU): N/A	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	6.5.d.
Issue: To avoid or reduce short and long-term environmental impacts such as habitat fragmentation and soil disturbance, managers of certified forests are expected to minimize road density, including closing and rehabilitating unneeded roads.	
Observation: Conformity to this Indicator could be more readily demonstrated if HRC compiled and maintained up-to-date and spatially-specific records of miles of new roads and miles of decommissioned roads.	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2015.4	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU): N/A	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): 4 months from receipt of audit report.
FSC Indicator:	6.7.b.
Non-Conformity: At one of the logging sites inspected during the 2015 audit, it was observed that there was not a spill kit in reasonable proximity to the yarder. As such, that operation was not in compliance with the requirement that, in the event of a spill of hazardous material, the spill is “immediately contained.”	
Corrective Action Request: HRC must work with its contractors to assure that spill kits are maintained in close proximity to every logging/yarding/hauling site so as to be able to immediately contain any spills of hazardous materials that may occur.	
FME response <i>(including any evidence submitted)</i>	

SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: 2015.5	
Select one:	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
FMU CAR/OBS issued to (when more than one FMU): N/A	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	8.5.a.
Issue: An up-to-date summary of the results of the company’s monitoring activities, covering the requisite subject matters, must be made publicly available.	
Observation: Ongoing conformity to this Indicator would be better assured if the company adopted a written policy regarding the frequency of updates to its publicly available summary of monitoring results. Annual updates would best demonstrate conformity.	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

5. Stakeholder Comments

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

- To solicit input from affected parties as to the strengths and weaknesses of the FME’s management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

Principal stakeholder groups are identified based upon results from past evaluations, lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

5.1 Stakeholder Groups Consulted

Logging contractors	

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

5.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Humboldt Redwood Company Stakeholder Summary and Team Response

Stakeholder Comments	SCS Response
Economic Concerns	
HRC has been a stable employer over the years. They have worked this ground in a way that shows they care about the land.	Noted as evidence of conformance.
Social Concerns	
None received as part of this audit	
Environmental Concerns	
None received as part of this audit	

6. Certification Decision

The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship Council standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments	

7. Changes in Certification Scope

Any changes in the scope of the certification since the previous audit are highlighted in **yellow** in the tables below.

Name and Contact Information

Organization name	Humboldt Redwood Company, LLC		
Contact person	Gretchen Woessner, Stewardship Administrator		
Address Scotia, CA 95565	P.O. Box 712	Telephone	(707) 764-4199
	Telephone	Fax	(707) 764-4400
		e-mail	gwoessner@hrcllc.com
		Website	hrcllc.com

FSC Sales Information

<input type="checkbox"/> FSC Sales contact information same as above.			
FSC salesperson	Adam Steinbuck, Director, Asset Management		
Address Scotia, CA 95565	P.O. Box 712	Telephone	707-485-6720
		Fax	707-485-7918
		e-mail	asteinbuck@mendoco.com
		Website	mrc.com

Scope of Certificate

Certificate Type	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	
SLIMF (if applicable)	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	
# Group Members (if applicable)		
Number of FMU's in scope of certificate	1	
Geographic location of non-SLIMF FMU(s)	Latitude: 40°50'25" - 40°08'16" degrees North Longitude: 124°12'44" - 123°42'36" degrees West	
Forest zone	<input type="checkbox"/> Boreal	<input checked="" type="checkbox"/> Temperate
	<input type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
Total forest area in scope of certificate which is:		Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
privately managed	209,661 ac	
state managed	0	

community managed	0		
Number of FMUs in scope that are:			
less than 100 ha in area	0	100 - 1000 ha in area	0
1000 - 10 000 ha in area	0	more than 10 000 ha in area	1
Total forest area in scope of certificate which is included in FMUs that:			Units: <input type="checkbox"/> ha or <input type="checkbox"/> ac
are less than 100 ha in area	0		
are between 100 ha and 1000 ha in area	0		
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	0		
Division of FMUs into manageable units:			

Production Forests

Timber Forest Products	Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
Total area of production forest (i.e. forest from which timber may be harvested)	172,238
Area of production forest classified as 'plantation'	0
Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	49,780
Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	122,548
Silvicultural system(s)	Area under type of management
Even-aged management	
Clearcut (clearcut size range)	0
Shelterwood	0
Other:	12,194
Uneven-aged management	
Individual tree selection	52,102
Group selection	107,942
Other:	
<input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.)	
The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood)	55 mmbf averaged annually from 2008-2017
Non-timber Forest Products (NTFPs)	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	28,415
Other areas managed for NTFPs or services	
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	N/A
Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:	
The company is committed to an average annual harvest rate of 55MMBF through the year 2017.	

Thereafter it is expected that the rate of harvest will increase. This increase will be based on landscape planning using the FORSEE growth-and-yield model. HRC is in the final stages of preparing a new Option A with updated landscape planning information and harvest rates.

Species in scope of joint FM/COC certificate: <i>Scientific/ Latin Name (Common/ Trade Name)</i>
Coastal redwood (<i>Sequoia sempervirens</i>), Douglas-fir (<i>Pseudotsuga menziesii</i>), Grand fir (<i>Abies grandis</i>), Tanoak (<i>Notholithocarpus densiflorus</i>)

FSC Product Classification

Timber products		
Product Level 1	Product Level 2	Species
W1 Rough Wood	W1.1 Roundwood (logs)	All
W1 Rough Wood	W1.2 Fuel wood	All
W3 Wood in chips or particles	W3.1 Wood chips	All
Non-Timber Forest Products		
Product Level 1	Product Level 2	Product Level 3 and Species
NA		

Conservation Areas

Total area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives		28,637 ac		
High Conservation Value Forest/ Areas				
High Conservation Values present and respective areas:		Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac		
	Code	HCV Type	Description & Location	Area
<input checked="" type="checkbox"/>	HCV1	Forests or areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Refugia forest stands containing Type 1 and Type 2 old growth redwood and Douglas-fir not included in HCV2	1,198 ac
<input checked="" type="checkbox"/>	HCV2	Forests or areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.	Larger scale refugia redwood forests containing Type 1 and Type 2 old growth along with second growth preserved in marbled murrelet conservation areas (MMCA's)	6,515 ac
<input type="checkbox"/>	HCV3	Forests or areas that are in or contain rare, threatened or endangered ecosystems.		
<input checked="" type="checkbox"/>	HCV4	Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	Riparian Management Zones (RMZs)	35,830 ac

<input type="checkbox"/>	HCV5	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
<input type="checkbox"/>	HCV6	Forests or areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		
Total Area of forest classified as 'High Conservation Value Forest/ Area'				43,543 ac

Areas Outside of the Scope of Certification (Partial Certification and Excision)

<input checked="" type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.		
<input type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation.		
<input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.		
Explanation for exclusion of FMUs and/or excision:		
Control measures to prevent mixing of certified and non-certified product (C8.3):		
Description of FMUs excluded from, or forested area excised from, the scope of certification:		
Name of FMU or Stand	Location (city, state, country)	Size (<input type="checkbox"/> ha or <input type="checkbox"/> ac)

8. Annual Data Update

8.1 Social Information

Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):		
# of male workers 49 HRC + 133 contractors	# of female workers 9 HRC	
Number of accidents in forest work since last audit	Serious: # 1 HRC	Fatal: #1 contractor

8.2 Annual Summary of Pesticide and Other Chemical Use

<input type="checkbox"/> FME does not use pesticides.				
Commercial name of pesticide / herbicide	Active ingredient	Quantity applied annually (lbs)	Size of area treated during previous year	Reason for use
ARSENAL AC	IMAZAPYR 4 lbai/gal	272	116	Control of hardwoods
IMAZAPYR 4 SL	IMAZAPYR 4	582	640	Control of hardwoods

	lbai/gal			
POLARIS AC	IMAZAPYR 4 lbai/gal	423	194	Control of hardwoods
ROUNDUP CUSTOM	GLYPHOSATE	42	192	Pepperwood control
RODEO	GLYPHOSATE	54.4	33	DF thinning
ROTARY 2 SL	IMAZAPYR 2 lbs ai/gal	187	343	Site preparation
ELEMENT 4	TRICLOPYR ESTER	36	56	Conifer release
ROUNDUP CUSTOM	GLYPHOSATE	43.2	59	Site preparation
SFM 75	SULFOMETURON METHYL	4.7	59	Site preparation
ROUNDUP CUSTOM	GLYPHOSATE	156.6	133	Grass/weed release
SFM 75	SULFOMETURON METHYL	9.3	133	Grass/weed release
ARSENAL AC	IMAZAPYR 4 lbai/gal	272	116	Control of hardwoods
IMAZAPYR 4 SL	IMAZAPYR 4 lbai/gal	582	640	Control of hardwoods
POLARIS AC	IMAZAPYR 4 lbai/gal	423	194	Control of hardwoods