

# 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**

**Maralyn Renner**

[mrenner@hrcllc.com](mailto:mrenner@hrcllc.com)

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

CERTIFIED	EXPIRATION
01/Dec/2009	01/Dec/2014

DATE OF FIELD AUDIT
26-27/Sep/2013
DATE OF LAST UPDATE
11/Dec/2013

*SCS Contact:*

**Brendan Grady** | Director  
Forest Management Certification  
+1.510.452.8000  
[bgrady@scsglobalservices.com](mailto:bgrady@scsglobalservices.com)

**SCS**global  
SERVICES  
*Setting the standard for sustainability™*

## Foreword

Cycle in annual surveillance audits			
<input type="checkbox"/> 1 <sup>st</sup> annual audit	<input type="checkbox"/> 2 <sup>nd</sup> annual audit	<input type="checkbox"/> 3 <sup>rd</sup> annual audit	<input checked="" type="checkbox"/> 4 <sup>th</sup> 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.

## Table of Contents

---

SECTION A – PUBLIC SUMMARY .....	4
1. GENERAL INFORMATION .....	4
1.1 Annual Audit Team.....	4
1.2 Total Time Spent on Evaluation .....	5
1.3 Standards Employed .....	5
2 ANNUAL AUDIT DATES AND ACTIVITIES .....	5
2.1 Annual Audit Itinerary and Activities.....	5
2.2 Evaluation of Management Systems .....	6
3. CHANGES IN MANAGEMENT PRACTICES.....	6
4. RESULTS OF THE EVALUATION.....	7
4.1 Existing Corrective Action Requests and Observations .....	7
4.2 New Corrective Action Requests and Observations .....	17
5. STAKEHOLDER COMMENTS .....	20
5.1 Stakeholder Groups Consulted .....	20
5.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable .....	20
6. CERTIFICATION DECISION .....	25
7. CHANGES IN CERTIFICATION SCOPE .....	25
8. ANNUAL DATA UPDATE .....	29
8.1 Social Information.....	29
8.2 Annual Summary of Pesticide and Other Chemical Use .....	29

## SECTION A – PUBLIC SUMMARY

### 1. General Information

#### 1.1 Annual Audit Team

<b>Auditor Name:</b>	Kyle Meister	<b>Auditor role:</b>	Lead auditor
<b>Qualifications:</b>	<p>Kyle Meister is a Certification Forester with Scientific Certification Systems. He has been with SCS since 2008 and has conducted FSC pre-assessments, evaluations, and surveillance audits in Brazil, Panama, Mexico, Costa Rica, Bolivia, Indonesia, India, Japan, New Zealand, Spain, and all major forest producing regions of the United States. Mr. Meister has successfully completed CAR Lead Verifier, ISO 9001:2008 Lead Auditor, and SA8000 Social Systems Introduction and Basic Auditor Training Courses. 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 a member of the Forest Guild and Society of American Foresters.</p>		
<b>Auditor Name:</b>	Sheila Steinberg, Ph.D.	<b>Auditor role:</b>	Team auditor – social impacts focus
<b>Qualifications:</b>	<p>Dr. Steinberg is Professor of Social Sciences at Brandman University in Irvine, California. She completed her bachelor's at the University of California, Santa Barbara (Environmental Studies/Communication Studies); her master's at the University of California, Berkeley (Wildland Resource Science); and her doctorate at The Pennsylvania State University (Rural Sociology). Her research interests include community, sociospatial research, GIS, applied sociology, research methods, ethnic communities, globalization, poverty, policy and environmental sociology. She has conducted field research in Nepal, Guatemala, New Mexico, Pennsylvania and California. The theme throughout this research has been the examination of people and their relationship to space and place. Recently, she has co-authored a chapter on this topic entitled "Geospatial Analysis Technology and Social Science Research." in the Handbook of Emergent Technologies, Sharlene Hesse-Biber, Editor, Oxford University Press 2011. Another recent publication is a book chapter entitled, "Global Women Superheroes: Place, Space and Action," in Chapter in: Women's Encounter with Globalization. Samir Dasgupta, R. Driskell, N. Yeates and Y. Braun (Eds.), London: Front Page Publishers 2010. In 2006, Dr. Steinberg co-authored a book for Sage Publications entitled, GIS for the Social Sciences: Investigating Space and Place. Her research examines the intersection of community, people, place and the environment through a policy lens.</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:	0
D. Total number of person days used in evaluation:	4.0

## 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 ( <a href="http://www.fsc.org">www.fsc.org</a> ), the FSC-US ( <a href="http://www.fscus.org">www.fscus.org</a> ) or the SCS Standards page ( <a href="http://www.scsglobalservices.com/certification-standards-and-program-documents">www.scsglobalservices.com/certification-standards-and-program-documents</a> ). Standards are also available, upon request, from SCS Global Services ( <a href="http://www.SCSGlobalServices.com">www.SCSGlobalServices.com</a> ).		

## 2 Annual Audit Dates and Activities

### 2.1 Annual Audit Itinerary and Activities

26 – September – 2013	
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 (AM/PM) (All auditors)	<ul style="list-style-type: none"> <li>Seasonal bridge near Sarsaparilla THP. Examined approaches and silt traps. To be removed by 15 Oct.</li> <li>Sarsaparilla THP. Group selection area for release of existing mid-level canopy cohort, tractor-harvested (prior entries include clearcut 45 years ago and single-tree selection in early 2000s prior to HRC). Good use of slash on skids trails and slopes. Retention trees marked; Marbled Murrelet mitigation site near property boundary with Humboldt State Park. Class II seep/spring protected. Utilization discussion.</li> <li>Bruno THP. Marked group selection harvest, but not yet harvested (prior entry includes clearcut 40-50 years ago). Focus on removal of white-woods and suppressed Douglas-fir. To be cable and/or ground-harvested. THP includes Northern Spotted Owl habitat retention area (NSO HRA) NOTE: HRC has not confirmed takes under its HCP and has 140 confirmed sites out of a required total of 108. Equipment exclusion zone for swale.</li> <li>Cummings West THP. Contractor interviews; active logging site. Inspection of required safety equipment. Group or single tree selection. Fire 10-15 years ago, densely stocked stand. Objective to remove diseased and defective trees. Observation of active yarding.</li> </ul>

27 – September – 2013	
FMU/Location/ sites visited	Activities/ notes
Field visits (AM) (Meister)	<ul style="list-style-type: none"> <li>• Casa Roja THP. Group and single-tree selection with variable retention unit. NSO HRA located in single-tree selection area with light thinning and retention of mast-producing hardwoods (tanoak and madrone). Discussion on bidding process, interview with logger. Retention of snags, conifers and hardwoods throughout THP. Snags protected with green trees where possible. Discussion on timing of frill treatments.</li> <li>• Chris Creek. Herbicide treatment (frilling of tanoak). Herbicide use is limited since tanoak is not as much of a problem for conifer regeneration at HRC.</li> </ul>
Stakeholder interviews at HRC offices (AM) (Steinberg)	HRC employees
HRC offices (PM)	Closing Meeting Preparation: Auditor(s) take time to consolidate 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

## 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

---

HRC dropped dual FSC-certification this year and has undergone significant staffing changes. These issues were considered during auditor deliberations and are reflected in the results of the evaluation.

## 4. Results of the Evaluation

### 4.1 Existing Corrective Action Requests and Observations

#1

<b>Finding Number: 1.6.a/12</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):
<b>FSC Indicator:</b> 1.6.a.	
<b>Non-Conformity:</b> FME does not have a publicly available statement of commitment to manage the FMU in conformance with FSC standards and policies. FME’s current publicly available statements reference FSC P&C.	
<b>Corrective Action Request:</b> FME shall ensure that it has a publicly available statement of commitment to manage the FMU in conformance with FSC standards and policies.	
<b>FME response (including any evidence submitted)</b>	<i>HRC Stewardship Manager added a statement to the web site: Key Policies-FSC third paragraph.</i>
<b>SCS review</b>	SCS verified that the statement has been added to the company website as described: <a href="http://www.mrc.com/key-policies/forest-stewardship-council-fsc-certification/">http://www.mrc.com/key-policies/forest-stewardship-council-fsc-certification/</a> .
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

#2

<b>Finding Number: 2.3.b/12</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):
<b>FSC Indicator:</b> 2.3.b.	
<b>Non-Conformity:</b> HRC employees demonstrated that they maintain some documentation related to disagreements, concerns, and potential disputes (e.g. title searches), and also maintain a record of emails (both internal and external). However, discussions with stakeholders are often conducted by	

<p>phone or face-to-face. Employees could not demonstrate that they consistently document these types of discussions. In the event that an issue escalated to become a formal dispute, these communications could be important evidence.</p>	
<p><b>Corrective Action Request:</b> The FME should ensure that they document any significant disputes over tenure and use rights.</p>	
<p><b>FME response (including any evidence submitted)</b></p>	<p><i>Asset Manager John Sneed has kept a data base of contacts and notes from phone and face-to-face interactions regarding tenure and use rights. All other staff sends stakeholder contact forms to the Stewardship Manager for recording.</i></p> <p><i>Interview: John Sneed, Asset Manager (707-764-4217). Review: files of stakeholder reports, Social Monitoring Summary spreadsheet.</i></p>
<p><b>SCS review</b></p>	<p>SCS verified the existence and functionality of the database (scanning and indexing systems). Asset manager has started to use the stakeholder consultation form more as part of the response to this OBS so that files are shared between different staff members. Auditor checked records for pass-through permissions and incident reports. The tracking system developed by HRC is excellent and should be maintained.</p>
<p><b>Status of CAR:</b></p>	<p><input checked="" type="checkbox"/> <b>Closed</b></p> <p><input type="checkbox"/> <b>Upgraded to Major</b></p> <p><input type="checkbox"/> <b>Other decision (refer to description above)</b></p>

#3

<p><b>Finding Number: 4.1.a/12</b></p>	
<p><b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p><b>FMU CAR/OBS issued to (when more than one FMU):</b></p>	
<p><b>Deadline</b></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><b>FSC Indicator:</b> 4.1.a.</p>	
<p><b>Non-Conformity:</b> With the switch from PALCO to HRC, some concerns have been expressed that jobs were not adequately reviewed and classified, which has affected rates of remuneration. Similarly, there has not been a job review since some employees have left and other employees have assumed new responsibilities. Human Resources began a market survey and wage review, but the review had not yet been completed for forest operations employees at the time of the audit.</p>	
<p><b>Corrective Action Request:</b> FME should ensure that employee compensation meets or exceeds the prevailing local norms within the forestry industry.</p>	
<p><b>FME response (including any evidence submitted)</b></p>	<p><i>In conjunction with recent changes in management staffing and organizational structure, management has been reviewing and reclassifying jobs.</i></p> <p><i>Interview: Sandy Danley, Human Resources Manager (707-485-6737), Mike Miles, Director, Forest Sciences (707-764-4173), Mike Jani, President &amp; Chief</i></p>



	<b>Forester (707-463-5114), and Dennis Thibeault, VP, Forest Operations, (707-272-6760).</b>
<b>SCS review</b>	HRC conducted a salary survey and wage review, which resulted in some raises being granted. Many positions have been reclassified and some have been removed during restructuring, which has led to staff reassignment, dismissals, and title changes. While review and reclassification are still on-going, HRC has shown that it has a system for ensuring that hiring practices and employee compensation meet prevailing industry norms. Interviews with HRC employees and staff confirm this fact.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> <b>Closed</b> <input type="checkbox"/> <b>Upgraded to Major</b> <input type="checkbox"/> <b>Other decision (refer to description above)</b>

#4

<b>Finding Number: 6.1.b/12</b>	
<b>Select one:</b> <input type="checkbox"/> <b>Major CAR</b> <input checked="" type="checkbox"/> <b>Minor CAR</b> <input type="checkbox"/> <b>Observation</b>	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<input type="checkbox"/> <b>Pre-condition to certification</b> <input type="checkbox"/> <b>3 months from Issuance of Final Report</b> <input checked="" type="checkbox"/> <b>Next audit (surveillance or re-evaluation)</b> <input type="checkbox"/> <b>Other deadline (specify):</b>
<b>FSC Indicator:</b> 6.1.b.	
<p><b>Non-Conformity:</b> Interviews with the Regional Water Quality Control Board (RWCQB) and HRC employees indicate that now that a significant amount of the work required by the Clean-up and Abatement Order (CAO) has been implemented and monitored, it is time to reconsider the analysis of the potential long-term and short-term impacts of future projects required by the CAO, including the specific methodology and timing of the projects.</p> <p>Previous assessment of the short-term impacts has primarily been associated with individual THPs and thus has not assessed the potential impacts of implementing such a large project across an entire watershed over a relatively short time span.</p> <p>Given the new information that may be gleaned from the monitoring of the CAO projects over the past several years and the fact that the documented assessment of the CAO's potential impacts is primarily conducted on an individual THP basis rather than considering the cumulative impacts of the road abatement projects throughout the entire watershed, a new assessment of the short-term and long-term impacts of completing the CAO is needed to demonstrate conformance with indicator 6.1.b.</p>	
<b>Corrective Action Request:</b> FME shall assess and document the potential short and long-term impacts of planned management activities on elements 1-5 listed in Criterion 6.1.a prior to commencing site-disturbing activities.	
<b>FME response</b>	<b>Results of monitoring that assessed the potential short- and long-term impacts</b>

<p><i>(including any evidence submitted)</i></p>	<p><i>of planned management operations from site-disturbing activities related to roads, including CAOs and road stormproofing, were compiled in the first annual report of the <u>Roads Best Management Practices Evaluation Program</u> (covering 10 years of monitoring). As a result of the findings, HRC has changed its approach to upgrading road sites in certain circumstances; the RWCQB and the HCP agencies are in agreement. August 2012.</i></p> <p><i>HRC completed a long-term project on <u>Stream Temperature Trends and Current Canopy Monitoring</u>, which focused on low gradient Class I streams in several of our major watersheds. This report concluded that water temperatures were correlated with upstream drainage areas. April 2013.</i></p> <p><i>Also in 2012, HRC re-instituted <u>Fish Distribution Monitoring</u> at sites that have been sampled historically. April 2013.</i></p> <p><i><u>Trends in Sediment-Related Water Quality After a Decade of Forest Management Implementing an Aquatic Habitat Conservation Plan</u> reported on a monitoring program that assessed sediment-related characteristics of streamflow and turbidity important to salmonids. 2012.</i></p> <p><i>HRC reported on an <u>Instream Effectiveness Monitoring</u> project focused on the <u>Effects of Timber Harvest on Turbidity of Class II Streams in the Freshwater Creek Watershed</u>, one of the watersheds with RWQCB CAOs. This study collected sediment data in streams above and below active THP units. February 2012.</i></p> <p><i>The HRC report <u>Sediment Production from Stormproofed Roads on Humboldt Redwood Company Lands</u> showed that HRC road upgrading and winter road use restrictions are effective in minimizing sediment delivery to Waters. Summarized results can be used to inform application of <u>Sediment Models in Watershed Analysis</u>. October 2011.</i></p> <p><i>HRC continues to work towards completion of the comprehensive <u>Elk River and Freshwater Creek Watershed Analysis Revisit Report</u>, which take into account the reports described above, along with other trends and effectiveness monitoring results. The Elk River report is expected to be completed in October 2013 and the Freshwater Report in Spring of 2014.</i></p> <p><i>These reports, most of which are on our web site, cover both short- and long-term monitoring results and management implications at the watershed scale, not the THP scale.</i></p>
--	--

	<b>Interview: Mike Miles, Director, Forest Sciences (707-764-4173)</b>
<b>SCS review</b>	<p>SCS examined some of the <a href="#">monitoring reports</a> on the company website, including Stream <a href="#">Temperature Trends and Current Canopy Monitoring Report</a> (2013). While many of these reports include trends in sediment movement, stream temperature, and fish habitat based on monitoring activities, they do not represent an assessment per indicator 6.1.b.</p> <p>Further consultation with HRC employees revealed that the Elk River and Freshwater Creek Watershed Analysis Revisit Reports (Draft 2013), Watershed Sediment Reduction Plan and Master: Reassessment and Treatment Schedule for South Fork and North Fork Elk River CAO (2012), and the annual work plans prepared for both forks of the river (2013) include assessments of potential short- and long-term impacts (6.1.b) to resources identified in indicator 6.1.a, specifically the affected soil and water resources. The decision tree included in the treatment schedule includes sediment treatment options based on short- and long-term needs for mitigation, forest expansion, and access for conducting management activities. The treatment schedule and the annual work plans combined serve as the assessment and ensure that the requirements of the CAR have been met; a major part of HRC’s response hinges on the approval of the draft watershed analysis revisit reports. These reports include a revised assessment that addresses all components of 6.1.a and 6.1.b based on monitoring results and experience of HRC staff in completing the Clean-up and Abatement Order (CAO). While they await final approval, the reports still contain pertinent information that serves to guide current management activities in the watersheds.</p> <p>Other important factors to consider in HRC’s continued efforts in completing the CAO include a watershed-wide effort that involves private and public land managers, public agencies, and other parties. An assessment of impacts will be included as a part of this process.</p>
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> <b>Closed</b> <input type="checkbox"/> <b>Upgraded to Major</b> <input type="checkbox"/> <b>Other decision (refer to description above)</b>

#5

<b>Finding Number: 6.3.d/12</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):

<b>FSC Indicator:</b> 6.3.d.	
<b>Non-Conformity:</b> Review of the Long Ridge Cable THP and interviews with HRC staff indicated the intent to plant redwood ( <i>Sequoia sempervirens</i> ) on sites that, based on field observation and stakeholder interviews, currently and likely historically did not include redwood. The Long Ridge THP has not yet been approved by the state; so no management activity has occurred on the site. Interviews indicated that the previous landowner (PALCO) planted redwood on a similar site approximately 8 years ago and the success of the redwood regeneration on this site was provided as evidence to support the proposed planting of redwood in the Long Ridge THP. HRC does have a procedure to complete an “Ecological Risk Assessment Checklist,” which is intended to identify micro sites suitable for planting redwood. However, the checklist was not completed prior to submitting the Long Ridge Cable THP to the state. While use of the checklist tool does not necessarily guarantee conformance to indicator 6.3.d, it is designed to help identify sites that may be appropriate for redwood regeneration. An observation is written since there is a potential for a future non-conformance if management practices do not maintain or enhance plant species composition, distribution and frequency of occurrences similar to those that would naturally occur on the site.	
<b>Corrective Action Request:</b> FME should ensure that management practices maintain or enhance plant species composition, distribution and frequency of occurrence similar to those that would naturally occur on the site.	
<b>FME response (including any evidence submitted)</b>	<i>Interview: Tom Schultz, Forest Manager Central/South (707-764-4408) and Jon Woessner, Forest Manager North (707-764-4376).</i>
<b>SCS review</b>	HRC continues to engage with local stakeholders on the Long Ridge Cable THP. No harvesting has happened yet on this THP. OBS sustained so that audit team can follow up in 2014.
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input checked="" type="checkbox"/> <i>Other decision (refer to description above)</i>

#6

<b>Finding Number:</b> 6.3.f/12	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):
<b>FSC Indicator:</b> 6.3.f	
<b>Non-Conformity:</b> The audit team visited the Long Ridge Cable THP in response to stakeholder concerns that the harvest areas may contain old-growth. Field observations indicated that the older trees within the units proposed for harvest do not meet HRC’s definition of old-growth (established on or	

before 1800 C.E.). However, many of these older trees qualify as legacy trees. These protected legacy trees are estimated to be 150-160 years old and were the seed source for most of the current stand. It is understandable that some stakeholders could view these trees as old-growth because many of these legacy trees do exhibit morphology commonly associated with old-growth Douglas-fir. Additionally, while small portions of the THP have been previously harvested with patch or strip clear cuts, the majority of the acres in the THP have not been previously entered for timber harvest. Thus, the lack of clear evidence of past management, as well as the presence of the legacy trees, led the stakeholders to conclude that the stands may qualify as Type I old-growth. Additionally, the stakeholders considered the stands to be uneven-age which would further substantiate the stakeholder's interpretation of these stands as potential Type I old-growth. However, the audit team concluded that the stands are predominately even-aged conifers overtopping hardwoods of the same age-class with scattered older legacy seed trees. These legacy trees are predominately located in riparian areas reserved entirely from harvest and scattered individual upland trees that are intended to be retained for wildlife value.

The audit team concluded that based on the HRC definition of old-growth, the sites visited do not meet the FSC definition of Type 1 or Type 2 old-growth. HRC's old-growth and hardwood retention policies serve to protect trees established on or prior to 1800 C.E. on the FMU. However, the legacy trees on Long Ridge Cable THP, which are 150-160 years old and thus fall outside of the FME's old-growth definition, are being protected for wildlife habitat and riparian protection. Conformance with indicator 6.3.f. requires that legacy trees are not harvested. However, HRC's wildlife tree retention policy targets legacy trees for retention at a stocking of 4 trees per acre and thus does not guarantee the protection of all individual trees that meet the legacy tree definition within a harvest unit if the trees were established after 1800 C.E. and not considered old-growth. Thus, there may be some stands where HRC's retention policies may not ensure the retention of all legacy trees established after 1800 C.E.

**Corrective Action Request:** FME should ensure that management maintains, enhances, or restores habitat components and associated stand structures, in abundance and distribution that could be expected from naturally occurring processes. These components include:

- a) large live trees, live trees with decay or declining health, **snags**, and well-distributed coarse down and dead woody material. **Legacy trees** where present are not harvested; and
- b) vertical and horizontal complexity.

Trees selected for **retention** are generally representative of the dominant species found on the site.

<b>FME response (including any evidence submitted)</b>	<i>To date, HRC has seldom if not ever encountered a harvest scenario where greater than 4 legacy trees per acre were identified by the Live Cull/ High Value Wildlife Tree "scorecard" currently in use, that were not otherwise protected by HRC's Old Growth policy. Nonetheless, HRC is working on a revision of its overall forest structure conservation strategy to include changing the 4 tree per acre "live cull" retention maximum, to requiring that <u>all</u> trees identified in the scorecard process be retained. This change, if approved, will ensure the retention of all legacy trees established after 1800 C.E.</i> <i>Interview: Mike Miles, Director, Forest Sciences (707-764-4173)</i>
--	--

<b>SCS review</b>	HRC continues to engage with local stakeholders on the Long Ridge Cable THP.
-------------------	--

	No harvesting has happened yet on this THP. Revision of HRC’s legacy tree definition as applied among different forest types is underway, but has not been completed. OBS sustained so that audit team can follow up in 2014.
<b>Status of CAR:</b>	<input type="checkbox"/> <b>Closed</b> <input type="checkbox"/> <b>Upgraded to Major</b> <input checked="" type="checkbox"/> <b>Other decision (refer to description above)</b>

#7

<b>Finding Number: 8.2.d.4/12</b>	
<b>Select one:</b> <input type="checkbox"/> <b>Major CAR</b> <input checked="" type="checkbox"/> <b>Minor CAR</b> <input type="checkbox"/> <b>Observation</b>	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<input type="checkbox"/> <b>Pre-condition to certification</b> <input type="checkbox"/> <b>3 months from Issuance of Final Report</b> <input checked="" type="checkbox"/> <b>Next audit (surveillance or re-evaluation)</b> <input type="checkbox"/> <b>Other deadline (specify):</b>
<b>FSC Indicator:</b> 8.2.d.4.	
<p><b>Non-Conformity:</b> Stakeholder input can be provided through many means, including: one-on-one meetings, groups meetings, the website, email, or phone conversations. To facilitate an ongoing review of stakeholder responses, a Social Monitoring Form has been developed. Employees are instructed to provide the completed forms to the stewardship manager.</p> <p>There is a clear recording of responses provided via the website, email or through feedback forms filled in by stakeholders at meetings. However, stakeholder responses provided during one-on-one meetings, field tours and phone conversations are not consistently recorded by employees. Employees are also not consistently using the Social Monitoring Forms. Where records have been kept, they have not consistently been organized in a way that can be easily accessed or monitored.</p> <p>During audit interviews, several stakeholders expressed concern that during discussions with company employees, notes were not taken, and that actions discussed had not been followed up on by the company. Interviews with employees revealed that in some cases actions were in fact taken. However, the stakeholder was not made aware of that action, nor was there follow-up to obtain feedback from the stakeholder and thus monitor the effectiveness of the action taken. This situation may in part be a result of inadequate recording of stakeholder responses.</p>	
<b>Corrective Action Request:</b> FME shall monitor and record stakeholder responses to management activities as necessary.	
<b>FME response (including any evidence submitted)</b>	<p><i>HRC’s Stewardship Manager took measures to elevate staff awareness of the need to fill out the Community Stakeholder forms and to complete follow through: by emails, by discussion at the Managers’ Meetings, and at the annual FSC staff information meeting.</i></p> <p><i>The Stewardship Manager also began recording Community Stakeholder inputs</i></p>

	<p><i>from the forms into an Excel spreadsheet in order to organize them for ease of access and to document follow-through.</i></p> <p><i>Interview: Maralyn Renner, Stewardship Manager (707-764-4199), Tom Schultz, Forest Manager Central/South (707-764-4408), Mike Miles, Director, Forest Sciences (707-764-4173), Jon Woessner Forest Manager North (707-764-4376), and Sal Chinnici, Forest Science Manager (707-764-4299).</i></p>
<b>SCS review</b>	<p>SCS reviewed the Excel spreadsheet. It is a detailed record of HRC's engagement and communication with the local community, including comments received, actions taken, and any follow-up activities. Interviews with external stakeholders and HRC personnel indicate that HRC has developed a functional system for recording and monitoring stakeholder responses to management activities.</p>
<b>Status of CAR:</b>	<p><input checked="" type="checkbox"/> <b>Closed</b></p> <p><input type="checkbox"/> <b>Upgraded to Major</b></p> <p><input type="checkbox"/> <b>Other decision (refer to description above)</b></p>

#8

<b>Finding Number: 8.4.b/12</b>	
<p><b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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>
<b>FSC Indicator:</b> 8.4.b.	
<p><b>Non-Conformity:</b> Interviews with HRC staff and the Regional Water Quality Control Board (RWQCB) indicate that the data collected to monitor the impacts of the implementation of the CAO (i.e. TMDL data) may show a need to revise the future implementation (i.e. rate, methodology) of the CAO projects in order to meet management objectives and mitigate short-term and long-term cumulative impacts. HRC has compiled monitoring data and plans to meet with the RWQCB this summer to present the monitoring information. Based on the review of the monitoring information, HRC should ensure future conformance with 8.4.b by incorporating the results of monitoring into the implementation of the CAO.</p>	
<p><b>Corrective Action Request:</b> Where monitoring indicates that management objectives and guidelines, including those necessary for conformance with this Standard, are not being met or if changing conditions indicate that a change in management strategy is necessary, FME should consider revising the management plan, operational plans, and/or other plan implementation measures to ensure the objectives and guidelines will be met. If monitoring shows that the management objectives and guidelines themselves are not sufficient to ensure conformance with this Standard, then the FME should consider modifying the objectives and guidelines.</p>	
<b>FME response (including any</b>	<p><i>A series of reports were produced in 2011-2013 that provided results of effectiveness monitoring over 10 years or more (see response to #4 above). The</i></p>

<b>evidence submitted)</b>	<b>results indicated the need to revise the treatment of certain road sites. HRC is currently meeting with the RWQCB regarding implementation strategies for CAOs and other mandated activities in impaired watersheds on HRC land. Interview Mike Miles, Director, Forest Sciences (707-764-4173)</b>
<b>SCS review</b>	See review of finding 4 (6.1.b/12). The Draft Watershed Analysis Revisited serves as evidence of HRC using monitoring results to update the management plan. Furthermore, HRC will be participating in a watershed-wide effort on completing restoration- and mitigation-related activities led by local agencies, which most likely will lead to another set of revised management planning documents based on years of its monitoring data.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> <b>Closed</b> <input type="checkbox"/> <b>Upgraded to Major</b> <input type="checkbox"/> <b>Other decision (refer to description above)</b>

**Chain of Custody**

**#1**

<b>NCR#:</b>	<b>CoC 1</b>	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	<p>FSC-US Forest Management Standard (v1.0) July 8, 2012 Indicator 8.3.  <i>FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs)</i></p> <p><b>COC 1.3:</b> FME procedures/work instructions shall provide effective control of FSC certified forest products (including NTFPs) from standing timber until ownership is transferred at the forest gate. <i>Note: For large scale operations (&gt;10,000ha) and Group Entities, CoC procedures covering all relevant CoC criteria shall be documented.</i> Including:</p> <ul style="list-style-type: none"> <li>a) Procedures for physical segregation and identification of FSC certified from non-FSC certified material. <b>(If applicable)</b></li> <li>b) Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. <b>(If applicable)</b></li> <li>c) Procedures to include the FME’s FSC certificate registration code and FSC claim (FSC 100%) on all sales and shipping documentation for sales of FSC certified products.</li> <li>d) Recordkeeping procedures to ensure that all applicable records related to the production and sales of FSC certified products (e.g. harvest summaries, sales summaries, invoices, bills of lading) are maintained for a minimum of 5 years.</li> <li>e) Procedures to ensure compliance with all applicable FSC/Rainforest Alliance trademark use requirements.</li> </ul>			
Report Section:	Appendix V Chain-of-Custody Conformance CoC 1.3			
<b>Description of Nonconformance and Related Evidence:</b>				
While the FME does include the FSC certificate registration code and the FSC claim on all sales shipping documents and the shipping and sales documents are clearly linked, however, the documented procedures do not describe this				



requirement as specified in item c of indicator COC 1.3 above.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.
Timeline for Conformance:	Prior to the next annual audit.
Evidence Provided by Organization:	<b><i>Chain of Custody Controlled Document (HRC-FO-OP-001 Rev4) was changed to describe the process for including the FSC certificate registration code and FSC claim on the trip tickets.</i></b>
Findings for Evaluation of Evidence:	HRC included in its procedures a description of the process for including the FSC certificate registration code and FSC claim on the trip tickets.
NCR Status:	Closed
Comments (optional):	

## 4.2 New Corrective Action Requests and Observations

<b>Finding Number: OBS 2012.5</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):
<b>FSC Indicator:</b> 6.3.d.	
<p><b>Non-Conformity</b> (or Background/ Justification in the case of Observations): Review of the Long Ridge Cable THP and interviews with HRC staff indicated the intent to plant redwood (<i>Sequoia sempervirens</i>) on sites that, based on field observation and stakeholder interviews, currently and likely historically did not include redwood. The Long Ridge THP has not yet been approved by the state; so no management activity has occurred on the site. Interviews indicated that the previous landowner (PALCO) planted redwood on a similar site approximately 8 years ago and the success of the redwood regeneration on this site was provided as evidence to support the proposed planting of redwood in the Long Ridge THP. HRC does have a procedure to complete an "Ecological Risk Assessment Checklist," which is intended to identify micro sites suitable for planting redwood. However, the checklist was not completed prior to submitting the Long Ridge Cable THP to the state. While use of the checklist tool does not necessarily guarantee conformance to indicator 6.3.d, it is designed to help identify sites that may be appropriate for redwood regeneration. An observation is written since there is a potential for a future non-conformance if management practices do not maintain or enhance plant species composition, distribution and frequency of occurrences similar to those that would naturally occur on the site.</p>	
<p><b>Corrective Action Request</b> (or Observation): FME should ensure that management practices maintain or enhance plant species composition, distribution and frequency of occurrence similar to those that</p>	

would naturally occur on the site.	
<b>FME response 2013 (including any evidence submitted)</b>	<b>Interview: Tom Schultz, Forest Manager Central/South (707-764-4408) and Jon Woessner, Forest Manager North (707-764-4376).</b>
<b>SCS review 2013</b>	HRC continues to engage with local stakeholders on the Long Ridge Cable THP. No harvesting has happened yet on this THP. OBS sustained so that audit team can follow up in 2014.
<b>FME response 2014 (including any evidence submitted)</b>	
<b>SCS review 2014</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: OBS 2012.6</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<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):
<b>FSC Indicator:</b> 6.3.f	
<p><b>Non-Conformity (or Background/ Justification in the case of Observations):</b> The audit team visited the Long Ridge Cable THP in response to stakeholder concerns that the harvest areas may contain old-growth. Field observations indicated that the older trees within the units proposed for harvest do not meet HRC’s definition of old-growth (established on or before 1800 C.E.). However, many of these older trees qualify as legacy trees. These protected legacy trees are estimated to be 150-160 years old and were the seed source for most of the current stand. It is understandable that some stakeholders could view these trees as old-growth because many of these legacy trees do exhibit morphology commonly associated with old-growth Douglas-fir. Additionally, while small portions of the THP have been previously harvested with patch or strip clear cuts, the majority of the acres in the THP have not been previously entered for timber harvest. Thus, the lack of clear evidence of past management, as well as the presence of the legacy trees, led the stakeholders to conclude that the stands may qualify as Type I old-growth. Additionally, the stakeholders considered the stands to be uneven-age which would further substantiate the stakeholder’s interpretation of these stands as potential Type I old-growth. However, the audit team concluded that the stands are predominately even-aged conifers overtopping hardwoods of the same age-class with scattered older legacy seed trees. These legacy trees are predominately located in riparian areas reserved entirely from harvest and scattered individual upland</p>	

<p>trees that are intended to be retained for wildlife value.</p> <p>The audit team concluded that based on the HRC definition of old-growth, the sites visited do not meet the FSC definition of Type 1 or Type 2 old-growth. HRC's old-growth and hardwood retention policies serve to protect trees established on or prior to 1800 C.E. on the FMU. However, the legacy trees on Long Ridge Cable THP, which are 150-160 years old and thus fall outside of the FME's old-growth definition, are being protected for wildlife habitat and riparian protection. Conformance with indicator 6.3.f. requires that legacy trees are not harvested. However, HRC's wildlife tree retention policy targets legacy trees for retention at a stocking of 4 trees per acre and thus does not guarantee the protection of all individual trees that meet the legacy tree definition within a harvest unit if the trees were established after 1800 C.E. and not considered old-growth. Thus, there may be some stands where HRC's retention policies may not ensure the retention of all legacy trees established after 1800 C.E.</p>	
<p><b>Corrective Action Request (or Observation):</b> FME should ensure that management maintains, enhances, or restores habitat components and associated stand structures, in abundance and distribution that could be expected from naturally occurring processes. These components include:</p> <p>a) large live trees, live trees with decay or declining health, <i>snags</i>, and well-distributed coarse down and dead woody material. <b>Legacy trees</b> where present are not harvested; and</p> <p>b) vertical and horizontal complexity.</p> <p>Trees selected for <b>retention</b> are generally representative of the dominant species found on the site.</p>	
<p><b>FME response 2013 (including any evidence submitted)</b></p>	<p><i>To date, HRC has seldom if not ever encountered a harvest scenario where greater than 4 legacy trees per acre were identified by the Live Cull/ High Value Wildlife Tree "scorecard" currently in use, that were not otherwise protected by HRC's Old Growth policy. Nonetheless, HRC is working on a revision of its overall forest structure conservation strategy to include changing the 4 tree per acre "live cull" retention maximum, to requiring that <u>all</u> trees identified in the scorecard process be retained. This change, if approved, will ensure the retention of all legacy trees established after 1800 C.E.</i></p> <p><i>Interview: Mike Miles, Director, Forest Sciences (707-764-4173)</i></p>
<p><b>SCS review 2013</b></p>	<p>HRC continues to engage with local stakeholders on the Long Ridge Cable THP. No harvesting has happened yet on this THP. Revision of HRC's legacy tree definition as applied among different forest types is underway, but has not been completed. OBS sustained so that audit team can follow up in 2014.</p>
<p><b>FME response 2014 (including any evidence submitted)</b></p>	
<p><b>SCS review 2014</b></p>	
<p><b>Status of CAR:</b></p>	<p><input type="checkbox"/> Closed</p> <p><input type="checkbox"/> Upgraded to Major</p> <p><input type="checkbox"/> Other decision (refer to description above)</p>

## 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

Community Members	Local government leaders
Non-Industrial Private timber landowners	Regional environmental NGOs

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
<b>Economic Concerns</b>	
I like HRC- I like their management I like their people. They just inherited a really worn hard landscape- and they are having to manage it carefully and custodially to get it back to sustainable productivity.	Duly noted. HRC has done extensive work to refine its silvicultural system since becoming certified. Even-aged stands are being treated in due time to increase the number of age-classes and restore species densities. No non-conformance is warranted.
People who are still working love them. They seem to be a pretty fair employer; people I know who work	Interviews with HRC employees and management confirm that HRC recently completed a salary survey to ensure that their salaries were in line with similar salaries for the same positions elsewhere in the region.

<p>them are pretty happy working for them. They respond to me right away. I've got two of the HRC managers' numbers on the wall to call in case I get inquiries about anything.</p>	
<p>They [HRC] appear to be much more enlightened than their predecessor [PALCO]. HRC are trying to be good neighbors. They are very constrained by their HCP, [so] I worry that they are too constrained by it and that they might not be able to make enough profit; it turns out the maintenance costs on the HCPs are massive.</p>	<p>HRC has made some progress in working on its relationship with HCP monitors this year. This subject will be examined in more detail during the next assessment. No non-conformance is warranted.</p>
<p>I think they [HRC] are trying to balance the need for sustainable forestry in a strong regulatory environment of California and produce a product that produces sufficient business income to keep the business operational.</p>	<p>HRC has undergone some restructuring this year in order to address efficiency while meeting regulatory and certification requirements. No non-conformance is warranted.</p>
<p>HRC has a \$2,500 limit on funding- I'm not saying that it's bad- they are just spread out much more. The company used to be out in the community more and gave more.</p>	<p>HRC contributes to community development and education in forestry and forest ecology, including field tours and opportunities for research. This was confirmed through stakeholder interviews and records maintained at company offices. No non-conformance is warranted.</p>
<p>Bidding is a disaster-it makes it hard. Kind of rough-everybody wants cheaper and cheaper. We'll bid a job working up here. It's just tougher and tougher. 3 or 4 years ago they said some of us don't have equipment-bring in outside people. You get a job or you don't get a job. - There are benefits and drawbacks -the benefit is that we get the cheapest price- benefits are our bottom line in terms of getting a better rate. Drawback is that there is less certainty for the contractor that they are going to get work. This approach doesn't lend itself to having a lot of certainty for those contractors.</p>	<p>HRC management confirmed that they have formally implemented a bidding process for contractors to get jobs working for HRC. Management says that the latest approach was on the books prior to this year, but began to be implemented this year. Prior to this year, approximately 80% of all logging work was bid out to contractors. The vast majority of all contractors continue to be from Humboldt and Mendocino Counties; only one job was awarded to a firm from the Sierras this year. It is clear that some of the smaller logging operations may have to adapt to the new bidding system to avoid losing the opportunity to apply for contracts and respond to requests for proposals in a timely manner. No non-conformance is warranted.</p>
<p><b>Social Concerns</b></p>	

<p>HRC led a walk this walk and let people look at the forestry practices – which I appreciate.</p>	<p>HRC led a walk in the forest that was open to stakeholders from the community. Members from many different NGOs participated in the walk and it was a positive exchange between HRC and the larger community of stakeholders. This was confirmed through interviews with HRC employees and other stakeholders. No non-conformance is warranted.</p>																					
<p>Mike Jani and Mike Miles, Tom Schultz are right in the middle of a project for Elk River Forum trying to address some issues in the Elk River drainage area [that is an event that is being planned for November]</p>	<p>Interviews with stakeholders and local government officials suggest that the public forum around the Elk River Watershed will occur in November. Representatives from HRC plan to attend as a means to interact further with stakeholders. No non-conformance is warranted.</p>																					
<p>HRC is way more sophisticated and respectable and responsive to community concerns.</p>	<p>HRC unveiled a more comprehensive method for tracking stakeholder interactions this year, which should enhance its responsiveness to comments made outside of field tours and formal stakeholder meetings. No non-conformance is warranted.</p>																					
<p>My takeaway message is- the public doesn't realize that the monster that was Hurwitz that that is over. That modern current forest practice rules and the department and wildlife rules are really working. It's impossible to convince people that the bad guy is not here anymore and that we are all not him.</p>	<p>Duly noted. It will take time to see what long-term economic, social, and environmental impacts result from HRC's forest management. No non-conformance is warranted.</p>																					
<p><b>Environmental Concerns</b></p>																						
<p>They are not doing any clear cutting-and they are not trying to cut as much timber as they possibly could. HRC has a better reputation and better stewardship of the land. HRC turned the company around about 180 degrees-they want to be here for a long time.</p>	<p>HRC continues to cut less than its calculated annual allowable harvest and has remained within the average annual allowable harvest since becoming certified, as indicated in the table below. No non-conformance is warranted.</p> <table border="1" data-bbox="613 1268 1429 1570"> <thead> <tr> <th>Year</th> <th>Harvest rate</th> <th>Annual allowable harvest</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>25,211</td> <td>55,000</td> </tr> <tr> <td>2010</td> <td>52,794</td> <td>55,000</td> </tr> <tr> <td>2011</td> <td>54,920</td> <td>55,000</td> </tr> <tr> <td>2012</td> <td>59,905</td> <td>55,000</td> </tr> <tr> <td>TOTAL</td> <td>192,830</td> <td>220,000</td> </tr> <tr> <td>Average</td> <td>48,207.5</td> <td>55,000</td> </tr> </tbody> </table>	Year	Harvest rate	Annual allowable harvest	2009	25,211	55,000	2010	52,794	55,000	2011	54,920	55,000	2012	59,905	55,000	TOTAL	192,830	220,000	Average	48,207.5	55,000
Year	Harvest rate	Annual allowable harvest																				
2009	25,211	55,000																				
2010	52,794	55,000																				
2011	54,920	55,000																				
2012	59,905	55,000																				
TOTAL	192,830	220,000																				
Average	48,207.5	55,000																				
<p>The management of HRC is always looking out for benefits of the company not the downstream residents. They will follow the written guidelines, but following those guidelines leads to the damage to downstream residents. The residents have no effective protection. The process allows HRC to log and continue to harm us; a</p>	<p>HRC has established a well-developed protocol and tracking system for interacting with stakeholders related to its timber harvesting activities. The company engages with adjacent landowners and concerned citizens in a number of formats, including tours, public meetings, and California THP notification processes. HRC and other land managers in the area will participate in the WQ TMDL (Water Quality Total Maximum Daily Load) process. This was confirmed through interviews with HRC employees and a review of HRC Social Impact Assessment Documentation. No non-conformance is warranted.</p>																					

<p>very unfair situation which HRC does not address. The Board of Forestry Rules is supposed to protect my water; it did not and still does not. That problem needs to be honestly addressed here in Elk River. Hopefully the WQ TMDL (Water Quality Total Maximum Daily Load) process will and HRC will really support recovery for the residents. Protection for people and water should be paramount to all agencies and industries.</p>	
<p>Elk River is totally sick. Industrial logging continues at historically unprecedented rates while the river continues to be degraded. We who live here know exactly what is happening because we live with it all the time. They (the logging companies) say it's not our responsibility and it's not our fault. Our present logging is not causing the sediment problem.</p>	<p>See previous comment on WQ TMDL (Water Quality Total Maximum Daily Load), which should afford attention to the impacts of all land uses within the watershed and take into account the current state of the watershed. No non-conformance is warranted.</p>
<p>-I think it is incumbent upon FSC to explain where the sediment is coming from. We are 10 years down the line from the THP-and that hasn't happened.          - The amount of waste coming from the managed timberlands is 26 X time that of naturally occurring background. We are entitled to clean water.          -Part of the tension is around the Elk River-nuisance flooding being caused by sediment from timber activity. Some tension there and the water, Elk River is really complex and that is why people are frustrated</p>	<p>It is not incumbent upon FSC, or SCS acting on behalf of FSC, to provide the requested explanation. The FSC standard requires that HRC and other FSC-certified companies have systems in place to ensure legal compliance, and to demonstrate respect of property boundaries and duly-recognized property rights. The California THP process and other legal mandates provide residents with the opportunity to have input into the planning and implementation of management activities. Should such processes fail to yield results that are deemed satisfactory, citizens are free to pursue further interaction with the company or seek legal recourse. If stakeholders/neighbors pursue legal pathways for addressing asserted damages, the FSC standard requires the FSC-certified company to fully cooperate in such legal procedures so as to ensure that this mechanism for resolution is functioning as designed.</p> <p>See previous comment on WQ TMDL (Water Quality Total Maximum Daily Load), which should afford attention to the impacts of all land uses within the watershed and take into account the current state of the watershed.</p>
<p>Does certification as "sustainable" require that our state and federal constitutional provisions are complied with?</p> <p>I would hold that the definition must; the constitutions are the overarching law and the measure to which all other laws are ultimately</p>	<p>FSC certification does not employ the term "sustainable." Rather, companies found to be in adequate conformity with the certification standard are deemed to be practicing "responsible forest management."</p> <p>Compliance with state and federal constitutional provisions is ascertained through compliance with applicable regulations and, as needed, court rulings in response to legal proceedings.</p>

<p>tested. Just because we poor residents don't have the funds to get through our court system does not mean that the forestry laws are just and constitutionally compliant.</p> <p>If you are honorable, your certification will provide the means to determine the ethics, morality, constitutional compliance--(just compensation for prior damages)(contingency bonding for future damages) of the business plan.</p>	<p>It is not the role or responsibility of FSC to adjudicate issues of a legal nature; rather, that is the role of local, state and federal courts as well as the administrative procedures of agencies entrusted with implementing and administering laws pertinent to the management of private forestlands.</p> <p>FSC certification has never been intended to serve as the means to determine ethics, morality and constitutional compliance. Rather, the role of FSC certification is to ascertain conformity to an established standard that has been duly developed by a chamber-balance group of interested stakeholders in the U.S. and that are in consonance with the international FSC Principles &amp; Criteria. Stakeholders are encouraged to involve themselves in the FSC standards development process; a new such opportunity will arise in 2014.</p>
<p>Let's assume that a forest has a maximum biological potential, what fraction of that maximum biological potential is being attained by that practice. And of course this whole thing is –the timber companies probably know this- but they are very short sighted. So they are very willing to have a low biological potential. If you want to sustain the planet-and soil communities are depended on maximizing the productivity provided by the vegetation than the soil to feed the forest. And so I think that yard stick must be disclosed so that the public can understand just how sustainable this practice is.</p>	<p>HRC notifies the public of any future logging practices through the public disclosure of their THPs. Additionally, the HRC foresters engage in discussion with the stakeholders who may be impacted by timber harvesting activities. HRC has posted all of its social impact documents publicly online for all to see what activities they are involved in and how they communicate with the community.</p> <p>While the inventory system is currently being updated, HRC remains within its calculated annual allowable harvest and practices uneven-aged management (see table in response to first comment under environmental concerns), which means that the objectives are to attain a multi-aged forest with various sizes classes. So not all age and size classes are removed at each harvest entry. Additionally, certain stands regenerated under the previous even-aged management practices are overstocked and must be thinned to attain larger diameter trees in a shorter timeframe. Stocking levels post-harvest must be verified per California THP requirements.</p>
<p>If your certification sustains a conversion of older forests to very young and minimally stocked forest, and the redwood deck market reacts to the very weak, rot prone, (and ultimately dangerous in the short term product) product coming from the very young forest by boycotting it, won't your certification be sustaining the demise of the industrial redwood forest?</p> <p>I purchased these two boards yesterday. They are HRC's "heart" redwood decking. The whitish board with about 12 rings in the 2x6 seems likely to source from a short rotation selection harvest unit----because it</p>	<p>In regards to the decking, it is difficult to determine what section of the tree the board came from given the multiple ways that boards are made from trees of different sizes. If the board indeed contains heartwood, it is likely from a portion of the bole located at the edge of the red heartwood section if it has a significant amount of white coloring. Furthermore, when one takes into account the point at which height in the log the board was taken from, the rings could be closer or further apart (closer together when closer to the tip of the tree; further apart when towards the base). So extrapolating the rings from one board to an entire tree would not provide one with an accurate estimate of age (see image for an example, <a href="http://www.forestryforum.com/images/lumber_from_log_lg.jpg">http://www.forestryforum.com/images/lumber_from_log_lg.jpg</a>)</p>  <p>HRC has a few different harvest prescriptions for overstocked stands, including single-tree selection, group selection and variable retention. Choice of harvest prescription depends on the species composition, site</p>



<p>grew so fast. HRC converts old dense stands (400-600sq.ft. to basal area to 75 B.A.) in their selection harvests. PL/SCOPAC did this also. The other board seems to be old growth--or from a dense older clear cut stand. Count the rings and then extrapolate to an assumed diameter to get the estimated age of this tree that was harvested by HRC.</p> <p>I can see how HRC's business plan can sustain a forest producing 12 year old boards--how does HRC's business activity sustain the harvest of the 150+ year old boards?</p> <p>By the way, what fraction of MAXIMUM BIOLOGICAL POTENTIAL is the "sustainable forest" sustained at?</p>	<p>quality and relieve, date of last entry, and other factors. Re-entry under the uneven-aged management regime will vary from 15-25 depending on growth rates, stocking levels, and type of harvest, but certainly will be greater than 12 years. Assuming a well-spaced, well-stocked stand, a shorter re-entry period in uneven-aged management systems tends to decrease the volume removed per entry as to attain balanced stocking levels and diameter class distribution. Since the objective of HRC's uneven-aged management is to attain a multi-aged forest of various size classes, over time HRC should be able to increase the quality and size of its residual trees through its current management practices.</p> <p>No non-conformance is warranted.</p>
--	--

## 6. Certification Decision

<p>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.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><b>Comments:</b> HRC should be prepared to discuss any updates to the WWDR process in Elk/Freshwater and any changes in the approval of watershed analysis report drafts during the 2014 recertification assessment.</p> <p>Situations that were difficult to assess: FSC-US indicator 4.1.b (<i>Forest work is offered in ways that create high quality job opportunities for employees</i>) can be interpreted in many different ways; what is viewed as a high quality job opportunity in one location depends on many variables. HRC has experienced a lot of structural and organizational change over the last year. This has involved shifting of positions and job responsibilities. Such changes make it difficult to assess opportunities for upward and/or lateral mobility within HRC and/or to its sister companies. As the changes in management structure and job descriptions are recent and ongoing in some cases, the audit team found it difficult to evaluate stakeholder concerns regarding positions and roles within the company.</p>	

## 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

<b>Organization name</b>	Humboldt Redwood Company, LLC		
<b>Contact person</b>	Maralyn Renner, Stewardship Manager		
<b>Address</b>	P.O. Box 712 Scotia, CA 95565	<b>Telephone</b>	(707) 764-4199
		<b>Fax</b>	(707) 764-4400
		<b>e-mail</b>	mrenner@hrllc.com
		<b>Website</b>	hrllc.com

### FSC Sales Information

<input type="checkbox"/> FSC Sales contact information same as above.			
<b>FSC salesperson</b>	Adam Steinbuck, Director, Asset Management		
<b>Address</b>	P.O. Box 712 Scotia, CA 95565	<b>Telephone</b>	707-485-6720
		<b>Fax</b>	707-485-7918
		<b>e-mail</b>	asteinbuck@mendoco.com
		<b>Website</b>	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)	N/A			
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	
<b>Total forest area in scope of certificate which is:</b>				<b>Units:</b> <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
privately managed	209,661 Acres			
state managed	0			
community managed	0			
<b>Number of FMUs in scope that are:</b>				
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	
<b>Total forest area in scope of certificate which is included in FMUs that:</b>				<b>Units:</b> <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			
<b>Division of FMUs into manageable units:</b>				
HRC's lands are divided into 2 areas of management, North and Central/South, each with a Forest				

Manager. The management areas are contiguous north to south.

**Production Forests**

<b>Timber Forest Products</b>	<b>Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac</b>
Total area of production forest (i.e. forest from which timber may be harvested)	174,949 ac
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	49,196 ac
Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	125,753 ac
<b>Silvicultural system(s)</b>	<b>Area under type of management</b>
Even-aged management	
Clearcut (clearcut size range      )	0
Shelterwood	0
Other: Variable Retention and Rehab	12,386
Uneven-aged management	
Individual tree selection	52,922
Group selection	109,641
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
<b>Non-timber Forest Products (NTFPs)</b>	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	25,931 ac
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
<b>Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:</b>	
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.	
<b>Species in scope of joint FM/COC certificate: <i>Scientific/ Latin Name (Common/ Trade Name)</i></b>	
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).		
<b>Total Area of forest classified as 'High Conservation Value Forest/ Area'</b>				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.		
<b>Explanation for exclusion of FMUs and/or excision:</b>		
<b>Control measures to prevent mixing of certified and non-certified product (C8.3):</b>		
<b>Description of FMUs excluded from, or forested area excised from, the scope of certification:</b>		
<b>Name of FMU or Stand</b>	<b>Location (city, state, country)</b>	<b>Size (<input type="checkbox"/> ha or <input type="checkbox"/> ac)</b>

**8. Annual Data Update**

**8.1 Social Information**

<b>Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):</b>		
# of male workers 57	# of female workers 6	
<b>Number of accidents in forest work since last audit: 9</b>	<b>Serious: 1</b>	<b>Fatal: 0</b>

**8.2 Annual Summary of Pesticide and Other Chemical Use**

<input type="checkbox"/> FME does not use pesticides.				
<b>Commercial name of pesticide / herbicide</b>	<b>Active ingredient</b>	<b>Quantity applied annually (kg or lbs)</b>	<b>Size of area treated during previous year</b>	<b>Reason for use</b>
Not reported; however, all chemical use is reported to counties in the State of California.				