

**Forest Management and Stump-to-Forest Gate Chain-of-Custody
Certification Evaluation Report for the:**

Mendocino Redwood Resource Manager Certification Program

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00001G**

Submitted to:

**Mendocino Redwood Resource Manager Certification Program
Calpella, CA**

Lead Author: Sterling Griffin

Date of Field Audit: August 30-31, 2007

Date of Report: September 10, 2007

Certified: September 17, 2007

Updated: December, 2008 (See Section 6.1)

Updated: November, 2009 (See Section 6.2)

Updated: November, 2010 (See Section 6.3)

By:

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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 SCS website (www.scs-certified.com) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of MRCP.

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by MRCP to conduct a recertification evaluation of its Group Management Scheme. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In August, 2007, a staff Certification Forester was tasked by SCS to conduct the evaluation. The Certification Forester collected and analyzed written materials, conducted interviews and completed a two day field and office audit as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the Certification Forester determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to MRCP, for the management of its Group Scheme. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com).

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SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Mendocino Redwoods Resource Manager Certification Program
Contact person	Mike Jani
Address	P.O. Box 996 Ukiah, California 95482
Telephone	707.463.5112
Fax	
E-mail	mikejani@mendoco.com
Certificate Number	SCS-FM/COC-00001G
Certificate/Expiration Date	September 17, 2011
Certificate Type	Group
SLIMF	group SLIMF certificate
Group Members	5
Number of FMU's	5
Number of FMUs in scope that are	
less than 100 ha in area	1
100 - 1000 ha in area	4
1000 - 10 000 ha in area	
more than 10 000 ha in area	
Location of certified forest area	
Latitude	123.59W
Longitude	39.265N
Forest zone	Temperate
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	76 ac
are between 100 ha and 1000 ha in area	2461 ac
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	
Total forest area in scope of certificate which is:	
privately managed ¹	2537 ac
state managed	
community managed ²	
Number of forest workers (including contractors) working in forest within scope of certificate	15
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	
Area of forest classified as 'high conservation value forest'	Approximately 300 ac

¹ The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

² A community managed forest management unit is one in which the management and use of the forest and tree resources is controlled by local communities.

List of high conservation values present ³	HCV 1,4
Chemical pesticides used	Imazapyr
Total area of production forest (i.e. forest from which timber may be harvested)	Approximately 2400 ac
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	
Area of production forest regenerated primarily by replanting ⁴	
Area of production forest regenerated primarily by natural regeneration	2400 ac
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Douglas fir, <i>Pseudotsuga menziesii</i> Coastal Redwood, <i>Sequoia sempervirens</i>
Approximate annual allowable cut (AAC) of commercial timber	
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Round wood Chips

³ High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at www.ProForest.net

⁴ The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

Conversion Table English Units to Metric Units

Length Conversion Factors

<u>To convert from</u>	<u>to</u>	<u>multiply by</u>
mile (US Statute)	kilometer (km)	1.609347
foot (ft)	meter (m)	0.3048
yard (yd)	meter (m)	0.9144

Area Conversion Factors

<u>To convert from</u>	<u>to</u>	<u>multiply by</u>
square foot (sq ft)	square meter (sq m)	0.09290304
acre (ac)	hectare (ha)	0.4047

Volume Conversion Factors

Volume

<u>To convert from</u>	<u>to</u>	<u>multiply by</u>
cubic foot (cu ft)	cubic meter (cu m)	0.02831685
gallon (gal)	liter	4.546

1 acre = 0.404686 hectares

1,000 acres = 404.686 hectares

1 board foot = 0.00348 cubic meters

1,000 board feet = 3.48 cubic meters

1 cubic foot = 0.028317 cubic meters

1,000 cubic feet = 28.317 cubic meters

Breast height = 1.4 meters, or 4 1/2 feet, above ground level

Although 1,000 board feet is theoretically equivalent to 2.36 cubic meters, this is true only when a board foot is actually a piece of wood with a volume 1/12 of cubic foot. The conversion given here, 3.48 cubic meters, is based on the cubic volume of a log 16 feet long and 15 inches in diameter inside bark at the small end.

1.2 Management Context

As a private commercial forest enterprise located in California, Mr. Jani's forest management activities are subject to a host of county, state and federal regulations.

At the state level, the California Forest Practices Act is the most important and influencing regulatory statutes that has bearing on forestry activities in the state. As well, the Forest Practices Act established the requirement that professional foresters be licensed, a requirement met by Mr. Jani. Other state statutes of relevance include:

- California Environmental Quality Act
- California Endangered Species Act
- California Fish and Game Code
- California Department of Water Quality regulations

The federal legislation of greatest relevance to forest managers is associated with the following statutes:

- Clean Water Act
- Endangered Species Act

- Archeological and Historic Preservation Act

These regulations specifically address management aspects such as watercourse protection for water quality, habitat protection for “listed species” and identification and protection of archeological and historic cultural resources.

1.2.1 Environmental Context

The forest type in which Mr. Jani’s private landowner forestry work is carried out is the Coast Redwood/Douglas-fir type. The principal conifer species are coast redwood and Douglas fir, in association with hardwood species such as tanoak and madrone. The north Coast Mountains comprise the most this forest type, which extends from Santa Cruz 450 miles north into southern Oregon.

1.2.2 Socioeconomic Context

Mendocino County’s economy can be generally characterized as a primary production economy. Only very recently has there emerged any type of manufacturing activity which is unrelated to the processing of Mendocino County’s output of primary products. The Mendocino County economy is heavily dependent upon exports of crude and processed primary products for stimulation of local employment, population, and income growth. In fact, at least 30 percent of the total employment in Mendocino County is directly dependent upon the agriculture, forestry, fishing industry and the lumber and wood processing and food processing sectors of the manufacturing industry.

Because MRRMRCP produces such limited amounts of roundwood annually, timber output levels do not have a significant effect on the local economy.

1.3 Forest Management Enterprise

1.3.1 Land Use

Except for areas now in permanent protection status as parklands, the region was heavily logged over at the turn of the last century. In the intervening 100 years, a largely even-aged second growth and third growth forest has grown back throughout the region.

1.4 Management Plan

1.4.1 Management Objectives

As presented in the group Management Plan, Mr. Jani’s objectives for his resource manager group scheme are⁵:

- Assisting landowners in developing goals consistent with exemplary forest

⁵ We note that management objectives that Mr. Jani has elaborated in his management plan are the logical foci of periodic monitoring protocols that are discussed later in this report.

- management.
- Assist in implementing the management plan/ harvest program.
 - Providing guidance with compliance of all state and federal laws and guidelines for forestry.
 - Providing landowners with information on the latest silvicultural practices to improve timber yield or value, wildlife habitat, water quality and esthetics.
 - Helping the landowner identify physical and biologically significant sites that merit special management.
 - Provide ongoing stewardship to the property.

1.4.2 Forest Composition

The forest type is considered a Coast Redwood/Douglas-fir type. The principal conifer species are coast redwood and Douglas fir, in association with hardwood species such as tanoak and madrone.

1.4.3 Silvicultural Systems

The silvicultural system employed by Mr. Jani on his client lands is geared toward long-term single-tree and group selection oriented towards leaving trees throughout the size-class spectrum and marking for improving post-harvest stand conditions. Harvesting prescriptions are tailored to the landowner's objectives. In that the group member properties are non-industrial properties, some with resident owners, visual aspects play an important role in the design and execution of harvesting activities.

1.4.4 Management Systems

In this Umbrella Certification System, MRCP is the Group Entity. Resource Managers who meet eligibility criteria and who sign a contract are then enrolled as participating RM's and will be able to enroll forest ownerships under their management into the program. (Note that all enrolled forest owners must also sign a contract agreeing to the requirements under the program.)

Individual forest owners who wish to participate in the program but who are not affiliated with a certified Resource Manager will be directed to a participating Resource Manager who will provide monitoring and technical assistance in meeting the program requirements. That is, all participating forest owners must have an express relationship with a participating RM.

As the Group Entity, the MRCP is responsible for establishing the rules for admission into the Umbrella program, resignation or expulsion from the system, and the systems for monitoring the compliance with the certification standard (FSC US Pacific Coast Standard). The MRCP accomplishes this through a process of management plan reviews, harvest plan reviews, site visits, and audits. MRCP is directly accountable to the Certification Body (Scientific Certification Systems) for all activities on member properties.

1.4.5 Monitoring System

Each FMU will receive a review of its management plan as part of the entry assessment. This will be conducted by MRCP in conjunction with the Resource Manager and Landowner and will involve a site visit. During this initial assessment the monitoring responsibilities of the Resource Manager and the Landowner will be defined. These should include the research and data collection needed to monitor, at a minimum, the following indicators:

- a) Yield of all forest products harvested.
- b) Growth rates, regeneration and condition of the forest.
- c) Composition and observed changes in the flora and fauna.
- d) Environmental and social impacts of harvesting and other operations.
- e) Costs, productivity, and efficiency of forest management.

Both the Resource Manager and Landowner are required to report on the defined monitoring objectives annually to MRCP. Results of monitoring will be used in the revision of management plans prior to operational activity and at the end of the five-year cycle.

MRC will collate data from all enrolled FMU's monitoring programs to produce a summary report that describes issues, objectives and successes in relation to monitoring.

During the reassessment, Corrective Action Requests (CAR's) may be raised that identify shortfalls in management planning requirements. This may include the requirement for a NTMP or elements of it, to be completed.

During the five-year period of enrollment each FMU will receive a minimum of one further site assessment audit by MRC regardless of operational activity. MRC will, where possible, seek to coincide the assessment with pre-operational planning THP or other operational activity planning.

1.4.6 Estimate of Maximum Sustainable Yield

Typical of non-industrial forested ownerships, harvesting on the group member properties is very intermittent. In fact, for many of the nominated group members, harvesting will only occur in 10-20 year intervals.

In the judgment of the SCS auditor, and based upon a review of the harvesting history of the group member, harvesting under the management guidance of Mike Jani is not resulting in depletion of timber inventories. Much to the contrary, average volume per acre, average stem diameter and the general vigor of managed stands are demonstrably increasing in response to prescriptions designed and implemented by Michael E. Jani, Resource Manager.

1.4.8 Chemical Pesticide Use

Chemical pesticides are used on MRCP some group members lands for control of competing vegetation, primarily tanoak. Pesticides are used in conjunction with mechanical management, and various alternatives have been investigated over the past five years.

1.5 SLIMF Qualifications

Each property in the group is less than 1,000 hectares and therefore meets the definition of a Small or Low Intensity Forest.

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicants group members' properties are located in California, the certification evaluation that is the subject of this report was conducted against the duly-endorsed FSC Pacific Coast Standard (v 9.0) The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scscertified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The office and field visit portion of the assessment occurred on August 30-30, 2007.

3.2 Assessment Team

Sterling Griffin, RPF #2805: Sterling Griffin is a Senior Certification Forester with Scientific Certification Systems (SCS). He is a Registered Professional Forester in the State of California with 10 years professional experience in private and public forest management. After graduating from Purdue University with a B.S in Forestry, his professional career began with the U.S. Forest Service working in forest inventory (FIA), fire use, silviculture and ecosystem research. Areas of research activities include stand level response to vegetative competition and Long-Term Ecosystem Productivity (LTEP) in the Pacific Northwest. Prior to joining SCS, he was the founder of a forestry consulting firm in Northern California specializing in sustained yield and forest health management. Since joining SCS, Mr. Griffin has conducted numerous Forest Stewardship Council (FSC) assessments including forestlands administered by Fort Lewis Forestry Branch, Michigan DNR, Indiana DOF, New York DEC, Maryland DNR and numerous private operations in Oregon, Washington, and California.

3.3 Assessment Process

3.3.1 Itinerary

August 30, 2007 – Field visit to Hollister property
August 31, 2007 – Office visit and field visit to Ballard property

3.3.2 Evaluation of Management System

The process by which Scientific Certification Systems evaluated the systems employed by MRCP entailed the following components:

- Use of Certification Forester with demonstrated credentials and expertise in forest certification, auditing protocols, forest management, wildlife management as well as a working knowledge of the forest types found in California.
- Review of pertinent documents.
- Interviews and review of written comments from a broad cross-section of stakeholders external to the MRCP.
- Field reconnaissance of a broad array of forest conditions and past and present management activities on FMUs that comprised the sample for the assessment

3.3.3 Selection of FMU's to Evaluate

Two of the 5 FMUs in the group were selected for the field portion of the assessment. These two FMUs were selected to review harvesting operations that has occurred during the 2007 logging season.

3.3.4 Sites Visited

The entire property of each FMU was reviewed with particular attention given to areas that had been recently harvested. Watercourses, roads, skid trails, and residual stands were closely examined.

3.3.5 Stakeholder Consultation

Pursuant to SCS protocols, consultations with key stakeholders were an integral component of the evaluation process. Consultation took place prior to, concurrent with, and following the field evaluation. The following were distinct purposes to the consultations:

To solicit input from affected parties as to the strengths and weaknesses of MRCP 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.

Principal stakeholder groups of relevance to this evaluation were identified based upon lists of stakeholders from MRCP, 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:

- contractors
- lease holders
- adjacent property owners
- Pertinent Tribal members and or representatives
- Members of the Pacific Coast FSC Working Group/National Initiative
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations
- Forest industry groups and organizations
- Purchasers of logs harvested on MRCP forestlands
- Local, State and Federal regulatory agency personnel
- User groups, such as hikers, ATV users, and others
- Other relevant groups

3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

A summary of the comments on the standard (where applicable) and major perspectives and concerns expressed by the stakeholders that were consulted during the course of this evaluation include:

Comment/Concern	Response
<ul style="list-style-type: none"> • I support their efforts to restore watershed functions. 	Comment noted.
<ul style="list-style-type: none"> • Concerned that clearcuts be conducted only on limited basis. What to be sure sustained yield is being followed. 	MRCP does not practice clearcutting on group members lands.
<ul style="list-style-type: none"> • Contractors have no problem working for Mike Jani. They are paid in timely fashion and receive good guidance to complete timber harvest operation 	Comment noted.
<ul style="list-style-type: none"> • They are cooperative with draft recommendations issued by agency personnel for streambed alteration permits 	Comment noted.
<ul style="list-style-type: none"> • Herbicide use on tanoak a concern. Concerned with residual unevenage stands contain large tree, clumps, and snags. Worried that Spotted Owl protected activity centers produced very low nesting rates this year. 	MRCP does not herbicide large tanoak. Treatments are designed to restore tanoak to its predisturbance densities. We will monitor nesting

	success through time to determine long-term dynamics.
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3.4 Total Time Spent on audit

One auditor day was spent reviewing documents and conducting stakeholder interviews. Two auditor days were spent conducting the field visits and two days were spent writing the assessment report. In all, a total of 5 auditor days were spent assessing MRCP for conformance with the FSC Pacific Coast Standard.

3.5 Process of Determining Conformance

Consistent with SCS Forest Conservation Program evaluation protocols, for scoring purposes the team collectively assigned weights of relative importance to the Criteria within each of the ten Principles. Scores were assigned to each Criterion at the completion of the field phase and importance-weighted means (average scores) were calculated for each Principle. Scoring takes place on a 100-point scale, using a consensus process amongst all members of the evaluation team. Scores less than 80 points connote performance in which there is discernible non-conformance to the breadth of a Criterion. For any Criterion for which the team assigns a score below 80 points, the team is required to specify one or more Corrective Action Requests (CARs), also known as “conditions.” If the weighted average score of any Principle is less than 80, certification cannot be awarded and, instead, the evaluation team must stipulate one or more Major Corrective Action Requests (Major CARs), also known as “pre-conditions.” The evaluation team also retains the option to specify “discretionary CARs” even when the score for the pertinent Criterion is above 80 points. This may occur when, overall, the Criterion was highly scored but there are issues within the scope of a Criterion where important improvements are, in the judgment of the team, necessary even though these deficiencies are not severe enough to move the score below 80 for the totality of the Criterion. For certification to be awarded, the importance-weighted average score for each of the 10 FSC Principles must be 80 points or higher.

Interpretations of Preconditions (Major CARs), CARs and Recommendations

Preconditions/Major CARs: These are corrective actions that must be resolved or closed out prior to award of the certificate. These arise when the importance-weighted average score for a Principle is less than 80 points or where there is observed non-compliance with a “pre-emptive” indicator (e.g., use of GMOs is a “fatal flaw” that precludes award of certification regardless of the strength of the overall management program).

CARs: Corrective actions must be closed out within a specified time period of award of the certificate. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

Recommendations: These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-compliance.

4.0 RESULTS OF THE EVALUATION

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request numbers related to each principle.

Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ Resource managers have strong record of complying with the California Forest Practice Rules. ▪ MRCP was one of the first FSC members and has shown a strong and continued commitment to the FSC. 	<ul style="list-style-type: none"> ▪ Various illegal activities may be occurring. Little efforts are being taken to search for these activities; however, the suspected activities do not directly affect forest resources. 	<ul style="list-style-type: none"> ▪
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ The group members generally allow the public to the property so long as no resource damage occurs. ▪ MRCP has a very strong public outreach program and is perceived to be a good neighbor. Informal communications and cooperation is strong between community members and MRCP. 	<ul style="list-style-type: none"> ▪ None observed. 	<ul style="list-style-type: none"> ▪
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ Notification of management planning activities to local tribes is required under the NTMP process. ▪ Archaeology surveys are conducted prior to operations and the state office of historic preservation records are reviewed to identify recorded sites. All sites are provided protection measures. 	<ul style="list-style-type: none"> ▪ None observed. 	<ul style="list-style-type: none"> ▪
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ MRCP employs local peoples and is active in the community. They have a good reputation among local people for the activities. ▪ MRCP uses only Licensed Timber Operators. 	<ul style="list-style-type: none"> ▪ None observed. 	<ul style="list-style-type: none"> ▪
P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ There is a clear long-term perspective being taken by group members. Economic returns are not being maximized in order to conserve other forest resources. ▪ New markets and opportunities are always being explored and considered. 	<ul style="list-style-type: none"> ▪ No formal monitoring is occurring to determine if stands are reaching the desired future condition. 	<ul style="list-style-type: none"> ▪

P6: Environmental Impact	<ul style="list-style-type: none"> ▪ Cumulative Impact Assessments of proposed activities are conducted in the management planning phase. ▪ Listed and special status species are provided appropriate protections. ▪ Watercourse Buffers provide good habitat connectivity along with the uneven-aged structure of the managed stands ▪ CWD, snags, and den trees are well protected. 	<ul style="list-style-type: none"> ▪ Older NTMPs are not always updated to include new species protection guidelines. 	<ul style="list-style-type: none"> ▪
P7: Management Plan	<ul style="list-style-type: none"> ▪ Forest resources such as stand characteristics, soils, watercourses, biological resources, etc are well described. Any potential environmental limitations are required to be disclosed. A cumulative impacts assessment is completed to assess potential cumulative impacts to surrounding watersheds and biological resources. 	<ul style="list-style-type: none"> ▪ Once approved, NTMPs are generally not updated. However, operational components are considered each year. 	<ul style="list-style-type: none"> ▪
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Property wide inventories are conducted as a part of the initial planning process. Water Quality Boards require regular water quality monitoring to assess the effectiveness of erosion control practices. 	<ul style="list-style-type: none"> ▪ No formal monitoring is occurring to determine if stands are reaching the desired future condition. 	<ul style="list-style-type: none"> ▪
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ The group manager, in consultation with the Foresters and landowners, has designated the HCVF areas. These designations are based on extended experience and ecological knowledge of the region and a thorough understanding of the social context. 	<ul style="list-style-type: none"> ▪ Monitoring consists of informal observations by landowners and foresters. 	<ul style="list-style-type: none"> ▪

4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation is certified. Certification cannot be awarded if open preconditions exist.

No preconditions were placed on MRCP during the initial evaluation.

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the *SCS Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the MRCP be awarded FSC certification as a “Well-Managed Forest”. MRCP has demonstrated that their system of management is capable of ensuring that all of the requirements of the Pacific Coast Standard are met over the forest area covered by the scope of the evaluation. MRCP has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

5.2 Initial Corrective Action Requests

No Corrective Action Requests have been issues as a result of this recertification assessment.

5.3 Recommendations

Background/Justification: MRCP has the responsibility to relate the principles and criteria used to define exemplary forest management as elaborated by the FSC to its group members. Although members are given a copy of the FSC standard, it appears they need a condensed summary version that will help them grasp the important concepts that make a certified forest unique. This summary could also be used to recruit new members and expand the group membership.	
REC 2007.1:	MRCP should develop more effective means to convey the concepts of managing according to the FSC standards. These methods should include an updated informational brochure that explains the FSC in simplified terms. The material should be given to existing and prospective group members that are considering group membership.

6.0 SURVEILLANCE EVALUATIONS

6.1.1 2008 Annual Audit

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

6.1.2 Assessment Personnel

Mr. Kyle Meister, Lead auditor: Mr. Meister is a new Certification Forester with Scientific Certification Systems. This was his second annual audit as a lead auditor with SCS. Prior to MRCRM, Mr. Meister participated in the annual audits of Collins-Lakeview, Mendocino Redwood Company and the Michigan Department of Natural Resources, and the recertification audit of Trout Mountain Forestry. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan. He recently completed a Master of Forestry degree at the Yale School of Forestry and Environmental Studies. Prior to his graduate studies, an invasive species outreach coordinator, an urban ecology and forestry educator, and apprentice forester. He has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, and Colombia.

6.1.3 Assessment Process

The scope of the December 2008 annual audit included document review, the auditor spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders. Of Mendocino Redwood Company personnel, the auditor primarily interacted with Jim Little, MRCRM's newly appointed certification coordinator.

The site visit of the 2008 annual audit was conducted during mid-December 2008, with follow-up dialogue with MRCRM staff in late December 2008/early January 2009.

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

December 8, 2008

8:00 am, Office visit, Mendocino Forest Products

- A discussion of personnel changes in MRC and SCS. Updates on FSC.
- A focused assessment of the status of outstanding corrective action requests and/or recommendations.
- A review of MRC's challenges and response to the 2008 fires.

9:30 am – 1:30 pm, Field visit, Whittaker Property, NT014

- Jim Gamble, RPF and consultant to Whittaker family
- Robert Whittaker's Son-in-law, Art Cooley, is the logger
- 5-6 year logging project, individual selection (thin throughout the diameter classes)
 - Try to retain 35% BA of tanoak for wildlife and diversity
 - Utilization good, retention of green trees, snags and DWD excellent
 - Slash distribution good
 - Landing will remain open for 5-6 years and is near a public thoroughfare
 - No use of herbicides
 - Overall good implementation of road BMPs, however, two problematic sites

2:30 pm, Closing meeting and issuance of CARs/Recommendations

6.1.4 Status of Corrective Action Requests (CARs)

As a result of the 2007 recertification audit, MRCRM had no open CARs.

6.1.5 General Observations

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

Recently, MRC and its partner investors started the Humboldt Redwood Company (HRC). As a result, there have been some personnel changes in both companies. Mike Jani has been handling matters at HRC, which is why Jim Little has taken over the MRCRM program. Mr. Little has been working on MRCRM for approximately six months and has several ideas that he would like to implement as the new coordinator. Mr. Little is a survivor of the “Timber Wars” and has more than 30 years of experience with sawmills and landowners of the region. He has excellent rapport with community members.

With the recent fluctuations in the lumber markets and shifting personnel between the two redwood companies, the transition has not been completely smooth. Mike Jani is still listed as the coordinator of the MRCRM program, which adds another layer of communication and leaves Mr. Little’s role not completely defined. As MRC looks to expand the MRCRM program to other landowners, it will be necessary to have clear channels of communication for the landowners and RPFs who work with them.

6.1.6 New Corrective Action Requests and Recommendations

Background/Justification: On the Whittaker property, there is an erosion control device that has a long wheel rut in it and is not draining properly, although on a positive note it is preventing sedimentation of the adjacent watercourse. There also is an old railroad grade with drainage issues at the entrance to an infrequently used landing. Furthermore, this landing is close to a public thoroughfare and could attract unauthorized activity.	
CAR 2008.1	MRCRM managers shall appropriately address all drainage issues on the Whittaker property as it is to be a 5-6 year harvest project. To help prevent these issues in the future, MRCRM shall develop clear road construction, maintenance and closing guidelines for landowners/managers who might not be familiar with forest road BMPs.
Deadline	2009 Annual Audit
Reference	FSC Indicators 1.5.a, 6.5.h., 6.5.i. and 6.5.j.

Background/Justification: Mike Jani is listed as the contact for and all correspondence is addressed to him for the MRCRM, even though the MRCRM program is now Jim Little’s

responsibility. Mr. Little has the most direct contact with the group members now, some of whom are not aware of the personnel changes at MRC/HRC.	
CAR 2008.2	MRC must clarify the roles of Jim Little and Mike Jani in the MRCRM program and inform MRCRM members of any changes in these roles.
Deadline	2009 Annual Audit
Reference	FSC Indicators 4.1.a and FSC Group Management Criterion 1.

Background/Justification: The MRCRM program includes a monitoring program of its FMUs and Resource Managers (RMs), or those who manage forested lands on behalf of landowners. How MRC will incorporate the results of monitoring of individual RMs into management plans, program restructuring, new policy development, unexpected issues, and related themes is unclear.	
CAR 2008.3	MRC shall develop a method of incorporating the results of monitoring of RMs into its guidelines in order to assess and improve its program and associated policies.
Deadline	2009 Annual Audit
Reference	FSC Indicator 8.4.a

Background/Justification: MRC has no clear guidelines for managers on what information to reveal to the public on the results on monitoring. Furthermore, MRC's contract between itself and individual landowners/RMs does not indicate what results of monitoring can be made public and what information remains confidential.	
CAR 2008.4	MRC shall define what results of monitoring can be made available to the public while respecting the confidentially and/or proprietary information of landowners and RMs.
Deadline	2009 Annual Audit
Reference	FSC Indicator 8.5.a

Recommendations:

Background/Justification: Mr. Little will further develop and expand MRCRM education, outreach, and monitoring programs during the upcoming year. In the current operations manual, there is no policy or procedure on seeking feedback from RMs and landowners.	
REC 2008.1	MRC should consider how to use these opportunities to receive feedback from RMs and landowners to assess its own performance.
Reference	FSC Criterion 4.4

6.1.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that MRC's management of the MRCRM Certification Program in Mendocino County, California continues to be in strong overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. While there remain aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that

MRCRM's forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as lands of MRCRM members are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted, subject to ongoing progress in closing out the three open CARs and subject to subsequent annual audits.

6.2 2009 Annual Audit

6.2.1 Assessment Dates

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

6.2.2 Assessment Personnel

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

6.2.3 Assessment Process

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

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

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

October 8, 2009

8:30am – Opening meeting at MRC Forestry Office

- Overview of Group Management Program – contracts, purchase order agreements, management plan/NTMP, and checklists
- Review of Jackson State Forest inclusion

1. All harvested areas are in the MRCRM group
2. Public review process – Board of Forestry – 3 year Timber Harvest Plans (THPs) where silviculture is dictated as to allow for future alternative uses of the forest and generate income.
3. Jackson State Forest Advisory Group (JAG) – 12 members to create management plan for a demonstration project to include multiple uses and benefits from the forest in recreation and forestry.

11:00 am – Jackson State Forest

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

October 9, 2009

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

- Burned during 2008 lightning complex fires
- Emergency salvage cut notice granted by CalFire
- Mostly Douglas-fir removed during salvage cut
- Discussion with CalFire inspector, Ken Margiott – drainage features post-operations are in compliance (waterbarred and rolling dips installed)
- Retention of Douglas-fir, Tanoak, Redwood, snags, and downed woody debris
- Redwood is resprouting nicely
- Stand will re-seed naturally with Douglas-fir, will supplement with 15x15 underplanting of Redwood

- Abundance of snags in some areas provides “dead shade,” which favors Redwood regeneration
- NTMP to be updated in approximately 2 years, depending on funding

6.2.4 Status of Corrective Action Requests (CARs)

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

Background/Justification: Mike Jani is listed as the contact for and all correspondence is addressed to him for the MRCRM, even though the MRCRM program is now Jim Little’s responsibility. Mr. Little has the most direct contact with the group members now, some of whom are not aware of the personnel changes at MRC/HRC.	
CAR 2008.2	MRC must clarify the roles of Jim Little and Mike Jani in the MRCRM program and inform MRCRM members of any changes in these roles.

Deadline	2009 Annual Audit
Reference	FSC Indicators 4.1.a and FSC Group Management Criterion 1.
MRC response	MRC has amended the document “Operations Manual – Mendocino Certificate Program (MCP)” to address the roles and responsibilities of all parties involved in the program. In addition, we have completed a new cover letter (“FSC MRCRM group letter updated 110309”) to be sent out with any purchase orders that will cover the basic concepts of the Mendocino Certificate Program.
Auditor comment	The update of the program’s organizational chart with the names and titles of the MRC/HRC staff involved in the program and the description of the organization provided on pages 7-9 satisfies part of this CAR. The updated cover letter informs group members of the management roles of four MRC/MRC staff in the program.
Status of CAR	This CAR is closed.

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

	The sample monitoring report includes a summary of findings of MRCRM site visits to group members, any assigned internal corrective action requests, and special news to report. The report is concise and should provide an easy way to communicate new ideas and policies to group members.
Status of CAR	This CAR is closed.

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

Recommendations:

Background/Justification: Mr. Little will further develop and expand MRCRM education, outreach, and monitoring programs during the upcoming year. In the current operations manual, there is no policy or procedure on seeking feedback from RMs and landowners.

REC 2008.1	MRC should consider how to use these opportunities to receive feedback from RMs and landowners to assess its own performance.
Reference	FSC Criterion 4.4
MRC response	As noted [in response to CAR 2008.3], we will provide a request for an opportunity to provide feedback on the program and its implementation from group members (including resource managers, landowners, and landowner representatives).
Auditor comment	Until MRC provides evidence of such a request, this recommendation remains open.
Status of REC	Open

6.2.5 General Observations

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

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

6.2.6 New Corrective Action Requests (CARs) and Recommendations

Major CARs

Nonconformity: Although THPs and NTMPs are temporarily available for a public comment period and the JDSF Management Plan is available for download, the MRCRM does not have a publically available summary of its group management plan.	
MAJOR CAR 2009.1	While respecting the proprietary information contained in management planning documents, MRCRM shall prepare a public summary of its management plan.
Deadline	3 months after the finalization of this report.
Reference	FSC Criterion 7.4
MRCRM Response	
Auditor comment	
Status of CAR	

Minor CARs

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

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

Nonconformity: MRCRM's group management manual does not provide an explanation of the certification body's and FSC's requirements with respect to public information.	
CAR 2009.3	MRCRM shall provide an explanation of the public information that it and the certification body are required to provide under the applicable

	FSC US regional standard and FSC regulations (e.g., public summaries).
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.iv

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

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

Recommendations:

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

Background/Justification: MRCRM currently uses a checklist based on the FSC Principles and Criteria to evaluate potential group members’ management plans. As it looks to expand the group into Humboldt County, MRCRM may become overwhelmed with plans to review and the checklist could slow the process. Furthermore, while reviewing the new group certification standards, MRCRM managers suggested training for group members on chemical use, high conservation value forests, and other important regional natural resource management issues.	
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REC 2009.2	MRCRM should create an overarching management plan that details the basic components and/or policies that it expects group members' plans to address based on the scale and intensity of their operations.
Reference	FSC Criterion 7.1

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

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

Background/Justification: When MRCRM completes its update of group management procedures, group members may require training.

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

6.2.7 General Conclusions of the Annual Audit

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

6.3 2010 Public Summary

6.3.1.0 General Information

6.3.1.1 Annual Audit Team

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

1.2 Total time spent on evaluation

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

6.3.1.3 Standards Employed

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

6.3.2.0 Annual Audit Dates and Activities

6.3.2.1 Annual Audit Itinerary and Activities

30 – Aug – 2010	
FMU/Location/ sites visited	Activities/ notes
Parker Ten Mile NTMP	Mostly tractor-logged, single-tree selection harvests with some opportunities for group selection in older Douglas-fir stands (multiple entries from 1988 – present in different stands). Landowner interested in aesthetics, environment/

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

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

6.3.3.0 Changes in Management Practices

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

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

6.3.4.0 Annual Summary of pesticide and other chemical use

Section 4.0 will be required as of January 1, 2011 by FSC International. MRCRM currently does not have a mechanism to track the chemical use by its group members. The 2010 annual audit uncovered no use of chemical herbicides or pesticides by group members. However, several individual group members’ management plans have provisions for such use. Below is a sample table of the information that is required annually by FSC International next year.

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

6.3.5.0 Open Corrective Action Requests (CARs)

Nonconformity: MRCRM's and its group members' rights and responsibilities in regards to oversight or approval of harvests conducted for non-MRC/HRC mills is not clearly defined or documented.	
CAR 2009.1	MRCRM shall define and document its and its group members' rights and responsibilities in regards to non-MRC/HRC harvests on group member properties and, if appropriate, create and implement a mechanism to approve and/or inspect such harvests.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 1.b. and 2.b.
MRCRM Response	MRCRM is developing a log sale agreement to add members to our group certificate in 2011 which will address this.
Auditor comment	At the time of the 2010 annual audit, the log sale agreement was still in development and had not been reviewed by MRC's legal staff. See also GAP 12 and GAP 21.
Disposition of CAR	This CAR has been upgraded to MAJOR.

Nonconformity: Under MRCRM's group management manual section titled, "Forest Owners/Representatives responsibilities," it is not clear who has access to group member properties and records.	
CAR 2009.2	MRCRM shall provide an explanation of the rights of access to group member properties and records by MRCRM, the certification body, and the FSC.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.iii
MRCRM Response	<ul style="list-style-type: none"> • See November 5th, 2009 letter to all program members, updating them on requirements for certification • Also see current PO for program with requirements included. "Seller or Seller's RPF warrant that their operations are compliant with these standards and will allow MRC to review their management plans for compliance and allow MRC access to their property for compliance monitoring during and/or after the completion of operations. Additionally, the landowners may be asked to provide access for follow-up field sample monitoring by MRC's certification auditors, Scientific Certification Systems (SCS). All field monitoring shall be at the expense of MFP and SELLER or SELLER'S RPF may accompany

auditors on all site visits.” (page 31 this document)

- Drafting new log sale agreement that will include these requirements more clearly spelled out.
- See additions to page 10-12 of the MRCRM group manual:

Responsibilities

MRC will:

- Provide the administrative services of the program
- Liaise with and pay costs to the certification body (Scientific Certification Systems) necessary to maintain FSC-endorsed certification for the group
- Review eligibility for enrollment of Resource Managers, Forest Owners, and Forest Owner Representatives.
- Assess management planning documentation of applicant membership
- Hold contracts with the enrolled membership, Resource Managers, Forest Owners, and Forest Owner Representatives
- Undertake internal auditing on a sample basis of Resource Managers, Forest Owners, and Forest Owner Representatives compliance to program requirements and the FSC Pacific Coast Standard
- Provide technical information relating to the program requirements and forest management
- Identify training opportunities for Participants
- Provide template documentation and checklists for management planning, planning review, site visit and audits (if needed)
- Produce an annual program report that includes information on total membership and acreage in the program; as well as a list of members names, harvest plan names and numbers that were harvested in the previous year.
- Provide an explanation of the rights of access to group member properties and records by MRCRM, the certification body, and the FSC.

Resource Managers will:

- Provide detail of their eligibility to operate as a certified Resource Manager, relative to the requirements established by the MRCRM.
- Sign a contract or be party to a log purchase agreement thereby agreeing to comply with the program
- Provide forest management services to their enrolled forest owners to ensure compliance with the program requirements and with the FSC US Pacific Coast Standard

	<ul style="list-style-type: none"> - Supply copies of checklists and other management planning documentation of enrolled members to MRC - Provide on site visits to properties being managed for auditing purposes. - Ensure clients are aware and willing to provide access to their land and MRCRM-related records to FSC auditors and MRCRM staff as requested. - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested. - Provide information relevant to their monitoring of their enrolled forest owners operations and management planning to MRCRM staff (including a list of the plans which were harvested in the previous year as well as any corrective action requests and adaptive learning from ongoing management). <p>Forest Owners and Forest Owner Representatives will:</p> <ul style="list-style-type: none"> - Sign a contract agreeing to comply with the program. - Be committed to the FSC Principles and Criteria - Ensure that management on their land complies with the requirements of the program - Allow access to their forestland as well as MRCRM-related records for periodic audits by MRCRM representatives and FSC auditors - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested. - Understand that when harvests occur on enrolled properties, the name of the member, the name of the harvest plan, as well as the number of the harvest plan will be published in annual monitoring report on the MRC website.
Auditor comment	MRCRM has fulfilled the requirements of this CAR. There are provisions in its response that explain that MRCRM staff and third-party auditors, both of the certification body and its accreditation body (as both qualify as “FSC auditors”), require access to group member properties.
Disposition of CAR	This CAR is closed.

Nonconformity: MRCRM’s group management manual does not provide an explanation of the certification body’s and FSC’s requirements with respect to public information.

CAR 2009.3	MRCRM shall provide an explanation of the public information that it and the certification body are required to provide under the applicable FSC US regional standard and FSC regulations (e.g., public summaries).
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 3.a.iv
MRCRM Response	<p>See group letter 11/5/2009.</p> <p>Below are the requirements for forest owners, forest owner representatives, and resource managers to be a part of this program:</p> <ol style="list-style-type: none"> 1) Manage your forestlands in compliance with the FSC Principles and Criteria (available at www.fsc.org) 2) Manage your forestlands in compliance with the FSC Pacific Coast Regions standards (available at www.fscus.org/standards_criteria). 3) Sign a purchase order which includes requirements such as allowing MRC staff or FSC certification auditors on your forestlands as needed and requested. All group members will receive a minimum of 24-hour notice prior to a visit. 4) Use the Handbook for Forest and Ranch Roads as best management practices for road construction and maintenance (available at: www.mrcrd.org/publications). 5) Be willing to have member names, management plan names, and management plan numbers posted on the MRC website as part of our requirements to maintain this group certificate. <p>MRCRM intends to provide similar group letter updates annually (including in 2010) after audit visits have been completed. See pages 10 and 11 of the revised MRCRM annual report.</p>
Auditor comment	MRCRM has partially addressed this CAR. However, MRCRM has not provided an explanation of the certification body's publication of information in public summaries on the FSC Certificate Database. See title page of this report for more information.
Disposition of CAR	This CAR has been upgraded to MAJOR.

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

<p>MRCRM Response</p>	<p>a) maintenance of information for monitoring purposes</p> <ul style="list-style-type: none"> • See MRCRM operations manual – pages 10-12 (resource manager, landowner, and landowner representative responsibilities) <p>Resource Managers will:</p> <ul style="list-style-type: none"> - Ensure clients are aware and willing to provide access to their land and MRCRM-related records to FSC auditors and MRCRM staff as requested. - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Provide information relevant to their monitoring of their enrolled forest owners operations and management planning to MRCRM staff (including a list of the plans which were harvested in the previous year as well as any corrective action requests and adaptive learning from ongoing management). <p>Forest Owners and Forest Owner Representatives will:</p> <ul style="list-style-type: none"> - Allow access to their forestland as well as MRCRM-related records for periodic audits by MRCRM representatives and FSC auditors - Maintain copies of pertinent documents related to group certification, audits, reviews for a minimum of five years and make these accessible to MRCRM and FSC auditors as required. - Understand that when harvests occur on enrolled properties, the name of the member, the name of the harvest plan, as well as the number of the harvest plan will be published in annual monitoring report on the MRC website. <p>b) use of systems for tracking and tracing of forest products See pages 12 and 13 of MRCRM program manual Chain of custody requirements Each member will ensure their logs are tracked and sent appropriately by using the Mendocino Forest Products trip ticket provided for log trucks. This ensures that employees at the sawmill can track the location and certification status of delivered logs and treat them appropriately. All delivered loads must use the trip ticket provided by the Mendocino Forest Products sales/accounting staff.</p> <p>c) requirements to conform with conditions or corrective actions issued by the certification body See pages 10-12 of MRCRM program manual: Resource Managers will:</p> <ul style="list-style-type: none"> - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested.
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	<p>Forest Owners and Forest Owner Representatives will:</p> <ul style="list-style-type: none"> - Conform to any Corrective Actions Requests (CARs) issued by MRCRM staff or FSC auditors within the timeline requested. <p>d) any special requirements related to marketing or sales of products covered by the certificate;</p> <p>e) Currently all sales of products covered by the certificate are directly or indirectly purchased my MRCRM related businesses (MFP/HRC). MRCRM is adding a log sale to add members to our group certificate in 2011. This will cover all legal obligations and marketing/sales requirements as well. Currently, page 7 of the manual states, "This system includes management plan review by the MRCRM Manager, scheduling of field assessments to evaluate harvest designs, and arranging the use of the FSC logo for marketing products from member lands."</p>
Auditor comment	MRCRM has fulfilled the requirements of this CAR. The addition of trademark and tracking guidance ensures that chain of custody rules are fulfilled.
Disposition of CAR	This CAR is closed.

Nonconformity: MRCRM has one record for an internal evaluation of the Brandon Gulch THP on the Jackson Demonstration State Forest, but, by its own admission, was unable to locate any others.	
CAR 2009.5	MRCRM shall ensure that it has up-to-date records to demonstrate the implementation of its internal control or monitoring system, including records of internal inspections, and any nonconformities identified or corrective actions taken to respond to nonconformities during such inspections.
Deadline	2010 Annual Audit
Reference	SCS Group Certification Standards 4.a.vi
MRCRM Response	90% of all operations received an audit in 2010 (either during or before operations). To date, only one group member has received a corrective action request from the MRCRM. Inspection reports are contained within the files of each group member with their management plan. Several inspection reports are included at the end of this report (see page 32-40).
Auditor comment	SCS checked group member files and found inspection reports for at least 90% of the group members. Fiscussion with group members further corroborated MRCRM's claims of internal audit visits.
Disposition of CAR	This CAR is closed.

6.3.5.1 Open Observations (OBSs)

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

Background/Justification: A stakeholder presented concerns about the width and geometry of yarding corridors throughout the Brandon Gulch THP. SCS was unable to corroborate the stakeholder’s comments as it was unable to walk the entirety of the THP.	
REC 2009.1	MRCRM should maintain communications with this particular stakeholder on this issue and consider conducting a post-harvest evaluation to for further investigation.
Reference	FSC Indicator 7.1.c.2
MRCRM Response	As a participant in the Jackson Advisory Group (JAG), Mike Jani has remained in discussion with this particular stakeholder. Each JDSF harvest plan receives post-harvest review from members of the JAG to ensure that stakeholder concerns are addressed.
Disposition of REC	This REC is closed.

Background/Justification: MRCRM currently uses a checklist based on the FSC Principles and Criteria to evaluate potential group members’ management plans. As it looks to expand the group into Humboldt County, MRCRM may become overwhelmed with plans to review and the checklist could slow the process. Furthermore, while reviewing the new group certification standards, MRCRM managers suggested training for group members on chemical use, high conservation value forests, and other important regional natural resource management issues.	
REC 2009.2	MRCRM should create an overarching management plan that details the basic components and/or policies that it expects group members’ plans to address based on the scale and intensity of their operations.
Reference	FSC Criterion 7.1
MRCRM Response and auditor comment	<p>MRCRM response: MRCRM staff reviewed the California FPR requirements for NTMPs and cross-referenced them with the FSC Management Plans requirement plans (FSC Criterion 7.1) and found that NTMPs meet the FSC requirements for management plans based on the required components for NTMPs. MRCRM staff review newly admitted NTMPs for other specific components of the Pacific Coast standards that have been identified as potential rub points (e.g. old growth protection, herbicide, treatment of HCVF forests). See <i>Cross Walk</i> between FSC requirements for management plans and CFPR requirements for NTMPs.</p> <p>Auditor comment: The comparison between the NTMPs and the FSC Pacific Coast standard is appropriate to addressing this REC.</p>
Disposition of REC	This REC is closed.

Background/Justification: A major component of JDSF's purpose is to demonstrate that livelihoods dependent on harvestable forest resources and recreation are compatible. There is limited harvest of NTFPs on JDSF and all sales are regulated by permit. JDSF intends to monitor the amount of permits issues by type (commercial or personal use) and use this data to assess NTFP collection trends. Some THPs are expected to allow for the collection of NTFPs. Where the potential for the collection of NTFPs is high and appropriate, JDSF should consider the following:	
REC 2009.3	<ol style="list-style-type: none"> 3. JDSF should research opportunities to compare the purchase of NTFP collection permits to financial data related to NTFPs. 4. JDSF should consider monitoring the methods and intensity of harvests of NTFPs on THPs included in the MRCRM group as well as in areas where no timber harvesting is allowed.
Reference	FSC Indicator 7.1.b.1
MRCRM Response and auditor comment	<p>MRCRM Response: Interim timber harvesting at JDSF is intended to allow for restoration of more Jackson State forestry staff. Once personnel are in place they would be able to review and address this concern. All recommendations need to be vetted through the Jackson Advisory Group which is currently setting up a recreation advisory group.</p> <p>Auditor comment: Responses to RECs are voluntary. This particular REC was issued in response to an area where JDSF could achieve exemplary performance to the FSC P&C. As JDSF does not currently have the personnel necessary to address this REC, it is closed. Further responses to this REC are voluntary.</p>
Disposition of REC	This REC is closed.

Background/Justification: When MRCRM completes its update of group management procedures, group members may require training.	
REC 2009.4	MRCRM should identify the training needs of its group members in relation to the implementation of the management plan.
Reference	FSC Criterion 7.3
MRCRM Response and auditor comment	<p>MRCRM Response: Noted. While we have not conducted group training, we also considered our internal audit of group members as opportunities to train them on group procedures and take input regarding the management of the group certificate.</p> <p>Auditor comment: The new group management standard allows for flexibility in offering training programs. That is, site visits and communications strategies are acceptable methods of attending to deficiencies in individual group members' performance relative to FSC requirements.</p>
Disposition of REC	This REC is closed.

6.3.6.0 New Corrective Action Requests (CARs)

Major CARs

<p>Nonconformity: MRCRM's and its group members' rights and responsibilities in regards to oversight or approval of harvests conducted for non-MRC/HRC mills is not clearly defined or documented.</p>	
<p>Major CAR 2009.1</p>	<p>MRCRM shall define and document its and its group members' rights and responsibilities in regards to non-MRC/HRC harvests on group member properties and, if appropriate, create and implement a mechanism to approve and/or inspect such harvests.</p>
<p>Deadline</p>	<p>Within 3 months of finalization of 2010 annual audit report</p>
<p>Reference</p>	<p>SCS Group Certification Standards 1.b. and 2.b.</p>
<p>MRCRM Response and auditor comment 2010 annual audit</p>	<p>MRCRM response: MRCRM is developing a log sale agreement to add members to our group certificate in 2011 which will address this.</p> <p>Auditor comment: At the time of the 2010 annual audit, the log sale agreement was still in development and had not been reviewed by MRC's legal staff. See also GAP 12 and GAP 21.</p>
<p>MRCRM Response and auditor comment post-2010 annual audit</p>	<p>MRCRM response: Please see attached MRCRM participation agreement and letter. This was sent out with our group letters inviting current and prospective future group participants to a meeting to discuss the upcoming changes to the group including:</p> <ul style="list-style-type: none"> - Needing to sign the agreement to participate in the program (agreement includes language on rights and responsibilities in regard to oversight of harvests where logs do not go to MRC mill) - Public reporting requirements of CB and MRCRM <p>Need to update plans over 10 years old prior to the end of this year to continue to participate (with assistance from staff at MRCRM if needed).</p> <p>Auditor comment: MRCRM's response, specifically sections 5 and 6 of the updated participation agreement, provide the chain of custody (COC) and field inspection framework that group members must follow when not selling to the MRC/HRC mills. Group members must provide MRCRM with all relevant COC information and are subject field inspection prior, during, and following operations.</p>
<p>Disposition of CAR</p>	<p>This CAR is closed.</p>

<p>Nonconformity: MRCRM's group management manual does not provide an explanation of the certification body's and FSC's requirements with respect to public information.</p>	
<p>Major CAR 2009.3</p>	<p>MRCRM shall provide an explanation of the public information that it and the certification body are required to provide under the applicable</p>

	FSC US regional standard and FSC regulations (e.g., public summaries).
Deadline	Within 3 months of finalization of 2010 annual audit report
Reference	SCS Group Certification Standards 3.a.iv
MRCRM Response and auditor comment 2010 annual audit	<p>MRCRM Response: See group letter 11/5/2009.</p> <p>Below are the requirements for forest owners, forest owner representatives, and resource managers to be a part of this program:</p> <ol style="list-style-type: none"> 1) Manage your forestlands in compliance with the FSC Principles and Criteria (available at www.fsc.org) 2) Manage your forestlands in compliance with the FSC Pacific Coast Regions standards (available at www.fscus.org/standards_criteria). 3) Sign a purchase order which includes requirements such as allowing MRC staff or FSC certification auditors on your forestlands as needed and requested. All group members will receive a minimum of 24-hour notice prior to a visit. 4) Use the Handbook for Forest and Ranch Roads as best management practices for road construction and maintenance (available at: www.mrcrd.org/publications). 5) Be willing to have member names, management plan names, and management plan numbers posted on the MRC website as part of our requirements to maintain this group certificate. <p>MRCRM intends to provide similar group letter updates annually (including in 2010) after audit visits have been completed. See pages 10 and 11 of the revised MRCRM annual report.</p> <p>Auditor comment: MRCRM has partially addressed this CAR. However, MRCRM has not provided an explanation of the certification body's publication of information in public summaries on the FSC Certificate Database. See title page of this report for more information.</p>
MRCRM Response and auditor comment post-2010 annual audit	<p>MRCRM response: Please see attached MRCRM participation agreement and letter. This was sent out with our group letters inviting current and prospective future group participants to a meeting to discuss the upcoming changes to the group including:</p> <ul style="list-style-type: none"> - Needing to sign the agreement to participate in the program (agreement includes language on rights and responsibilities in regard to oversight of harvests where logs do not go to MRC mill) - Public reporting requirements of CB and MRCRM – letter details this, updated program manual as well. <p>Need to update plans over 10 years old prior to the end of this year to continue to participate (with assistance from staff at MRCRM if needed).</p> <p>Auditor comment: Section 8, parts f and g fulfill the requirements to</p>

	provide group members with an explanation of the certification body's publication of information in public summaries on the FSC Certificate Database.
Disposition of CAR	This CAR is closed.

Nonconformity: According to MRCRM files reviewed, at least 15 group member management plans are not up to date and, in fact, are older than 10 years. One resource manager cited inventory data in the field that was not cited in MRCRM files. MRCRM did not obtain NTMP addenda when requesting copies of group member NTMPs and thus is unsure as to which plans in their files are out-of-date. MRCRM lacks an adequate mechanism to check the status of group member management plans.	
Major CAR 2010.1	MRCRM shall (a) Implement a program and timeline to identify and update all group member management plans older than 10 years within the next year. (b) Establish a mechanism to track the status of group member management plans.
Deadline	Within 3 months of finalization of 2010 annual audit report
Reference	FSC-US standard <i>FF</i> indicator 7.2.a.
MRCRM Response and auditor comment post-2010 annual audit	MRCRM response: (a) In our group letter to participants, MRC included a requirement that to maintain participation, participants with management plans over 10 years will need to provide updates to MRC by the end of 2011 or will no longer be able to participate. MRC has offered to assist in this process if needed. (b) MRC has developed a membership database which provides an annual list of management plans approaching > 10 years old (9 years since approval). During our annual monitoring/reporting cycle in the future, we will use this report to notify participants that they need to provide updates (with potential assistance from us).
Disposition of CAR	This CAR is closed.

Minor CARs

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

Nonconformity: Many protected areas (e.g., rare plant communities) are documented in group member NTMPs, but have not been assessed for potential as Representative Sample Areas (RSAs). Some of the background work has been done through consultation with the California Natural Diversity Database (NDDDB) the NTMP process (e.g., (n) Information on the presence and protection of any known key habitat or individuals of any threatened or endangered plant or animal species that are listed in DFG inventories prepared pursuant to the F&GC or any species of special concern as designated by the board; and (o) A description of potential impacts and protections for the quality and beneficial uses of waters within watercourses, lakes, and wet areas).

The FSC-US FF indicator 6.4.a requires that the forest manager assess the adequacy of representation and protection in the landscape of RSAs (see Criterion 7.1). The consultation and assessment process may be more informal; however, on all FMUs, outstanding examples of common community types (e.g., common types with Natural Heritage viability rankings of A and B) are identified in the assessment to be protected or managed to maintain their conservation value.

Minor CAR 2010.2	In cooperation with its group members, MRCRM shall establish a mechanism to assess group member properties for areas where classification as RSA is warranted.
Deadline	Annual audit 2011.
Reference	FSC-US standard <i>FF</i> indicator 6.4.a.

Nonconformity: Many protected areas (e.g., Class 1 RMZs, old-growth stands) are documented in group member NTMPs and in the JDSF management plan, but have not been assessed for potential as High Conservation Value Forests (HCVF). Some of the background work has been done through consultation with the California Natural Diversity Database (NDDDB), JDSF advisory committee work and management plan, and NTMP/ THP processes.

Minor CAR 2010.3	In cooperation with its group members, MRCRM shall establish a mechanism to assess group member properties for areas where classification as HCVF is warranted.
Deadline	Annual audit 2011.
Reference	FSC-US standard indicator 9.1.a.

Nonconformity: Group entity staff and group members have not demonstrated knowledge of the Group’s procedures and the FSC-US standard once MRCRM’s program manual is updated.

Minor CAR 2010.4	MRCRM shall ensure that the new group procedures and the FSC-US standard are communicated to group members and that they demonstrate knowledge of these two items.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 2.3

Nonconformity: MRCRM has not specified in its procedures the maximum number of group members that can be supported by its management system.

Minor CAR 2010.5	MRCRM shall specify in its procedures the maximum number of members that can be supported by the management system and the
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	human and technical capacities of the group entry.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 6.2

Nonconformity: MRCRM has not ensured that all invoices for sale of FSC-certified material are issued with the required information (see FSC-STD-40-004 V2-0 Clause 6.1.1) and filed by the group members. The information required in this clause is included in the purchase orders; the only missing piece is the claim FSC pure. This is being added to MRCRM's new Purchase Orders, but at the time of the audit was incomplete.

Minor CAR 2010.6	MRCRM shall ensure that the appropriate claim, FSC pure, is included on purchase orders and other relevant transport documentation.
Deadline	Annual audit 2011.
Reference	FSC-30-005 indicator 9.3

6.3.6.1 Observations (OBS)

Background/ justification: On group member properties and the THP visited during the 2010 audit, none had any remnant old-growth stands on lands included in the scope of the certificate (the one old old-growth stand is protected, but outside the scope of the NTMP). MRCRM conducted its NTMP/FSC cross-walk using the previous FSC Pacific Coast Standard. The FSC-US standard has new definitions for old-growth that have reduced the minimum size of old-growth stands:

Type 1 Old Growth: three acres or more that have never been logged and that display old-growth characteristics.

Type 2 Old Growth: 20 acres that have been logged, but which retain significant old-growth structure and functions.

OBS 2010.1	MRCRM should consider updating its old-growth revision process to account for the new FSC-US definitions and developing tools for landowners or resource managers to detect Type 1 and Type 2 characteristics.
Reference	FSC-US standard indicator 6.3.a.3.

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

OBS 2010.2	MRCRM should consider developing a mechanism to track and record chemical pesticide and herbicide use on its group member properties consistent with part 4.0 of this report.
Reference	FSC-US standard indicator 6.6.e.

Background/ justification: MRCRM has FSC logo usage procedures and all requests for logo usage must be communicated via MRCRM to the certification body as established on page 7 of the program manual. As it is likely that most group members will use the logo in conjunction with other FSC trademarks, this is likely to be covered in the certification body's

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

6.3.7.0 Stakeholder Comment

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

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

6.3.8.0 Certification Decision

Box 8.1 Surveillance Decision	
The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team 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"/>

6.3.9.0 Current list of Non-SLIMF FMUs

Name	Contact information	Latitude/ longitude of Non-SLIMF FMUs	
Jackson Demonstration State Forest	802 North Main Street Fort Bragg, CA 95437-3019 (707) 964-5674 www.jacksonforest.com	39°22'47.45" N	123°39'32.38" W
<i>New Non-SLIMF FMUs must be added to FSC database.</i>			
<input type="checkbox"/> Check here if national legal restrictions do not permit making information on the names, contact information, and/or geographical location of Non-SLIMF FMUs available to the public. Include the name of the state/province and country here:			

7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures, the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (CoC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An “**appeal**” is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

Dr. Robert J. Hrubec
Senior Vice-President
Scientific Certification Systems
2200 Powell Street, Suite 725

Emeryville, California, USA94608
Email: rhrubes@scscertified.com

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.