

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

**Indiana State Forests  
under the  
Management of the  
INDIANA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY**

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

**CERTIFICATION REGISTRATION NUMBER  
SCS-FM/COC-00099N**

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

**Date of Field Audit: November 10-12, 2008  
Date of Draft Report: January 30, 2009  
Finalized:, 200**

**Scientific Certification Systems  
2200 Powell Street  
Suite 725  
Emeryville, CA 94608**

**SCS Contact: Dave Wager, Program Director**  
dwager@scscertified.com

**Client Contact: John Seifert-** jseifert@dnr.IN.gov

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

## **1.0 GENERAL INFORMATION**

### **1.1 BACKGROUND INFORMATION**

- Source name: Indiana DNR- Division of Forestry
- Contact person: John Seifert
- Address: 402 W. Washington St, Rm W296, Indianapolis, IN
- Telephone: 317-232-4105
- E-mail: Jseifert@dnr.in.gov
- Certified products: Quercus alba (White oak), Quercus rubra (Northern red oak), Quercus velutina (Black oak), Liriodendron tulipifera (yellow-poplar), Acer saccharum (Sugar maple), Carya spp (Hickory), and other merchantable spp.
- Number of Acres/hectares certified: 154,000 acres
- Biome: Temperate hardwood
- Tenure: Public

### **1.2 General Background**

The 2009 annual audit was conducted by Dave Wager and Norman Boatwright. The audit included an opening meeting with DoF Central Office staff, assessments of four State Forests, and an exit interview.

This report covers the second annual audit, following the 2007 certification, of the Division of Forestry. The audit was conducted pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in 2007 (SCS-FM/COC-00099N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. The full report of the initial evaluation is available on the SCS website.

[http://www.scscertified.com/forestry/forest\\_certclients.html](http://www.scscertified.com/forestry/forest_certclients.html).

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

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

At the time of the November 2008 annual audit, there were six open Corrective Action Requests (CARs). The status of DoF's response to those CARs was assessed as part of this annual audit (see discussion below for a listing of the CARs and their disposition as a result of this annual audit).

### **1.3 Guidelines/Standards Employed**

For this annual audit, the SCS audit team evaluated the extent of conformance with the FSC Lake States and Central Hardwoods Standard, V. 3.0.

## **2.0 SURVEILLANCE DECISION AND PUBLIC RECORD**

### **2.1 Assessment Dates**

The SCS audit team conducted the field portion of the annual audit November 10-12, 2008, including on-site inspections of field operations as well as interviews with DoF management and field personnel. In addition to the 6 person-days spent on-site, the audit team spent an additional 2 person days on audit planning, document review, stakeholder consultations, and other tasks related to the 2008 annual audit.

### **2.2 Assessment Personnel**

For this annual audit, the team was comprised of Dave Wager and Norman Boatwright:

#### Dave Wager, M.Sc. - FSC Team Leader

Mr. Wager is Director of Forest Management Certification for SCS. During his 8 years as Director, Mr. Wager has overseen the day-to-day operations of the program and conducted Forest Management and Chain-of-Custody evaluations throughout the world. Recent evaluations conducted by Mr. Wager include Minnesota DNR, Wisconsin County Forests, State of PA Bureau of Forestry, State of Massachusetts, Perak ITC- Malaysia, and Collins Pine Lakeview and Almanor Forests. In his role as Program Director, Mr. Wager oversees all first-time certification evaluations, annual audits, and contract renewal certifications on approximately 75 active clients. Mr. Wager has expertise in business and forest ecology (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University) and utilizes both in his position with SCS. While studying forest ecology at Utah State University, Mr. Wager was awarded a NASA

Graduate Student Research Fellowship to develop dendrochronological techniques to assess Douglas-fir growth in Utah's Central Wasatch Mountains.

Norman Boatwright, SFI Lead Auditor and FSC Auditor

Norman Boatwright currently manages the Environmental Services Division of Milliken Forestry Services that handles typical forestry consulting, SFI Audits, Phase I Environmental Site Assessments, Forest Soil Mapping, Wetland Delineation, and other Biological Services. He has over twenty-eight years experience in intensive forest management, seventeen years experience in environmental services and seven years experience in SFI auditing. He has conducted Phase I Assessments on over two hundred and fifty projects covering 2,000,000 acres, ESA and Endangered Species Assessment on timberland across the South, and managed soil mapping projects over 1.3 million acres. From 1985-1999, he was Division Manager at Canal Forest Resources, Inc. and was responsible for all forest management activities on about 90,000 acres of timberland in eastern South Carolina. Duties included budgeting and implementing land and timber sales, site preparation, planting, best management practices, road construction, etc. Norman is a Qualified Lead Auditor under the NSF-ISR SFI Program with extensive experience auditing procurement and land management organizations.

**2.3 Assessment Process**

The following general steps were undertaken as part of the 2008 audit:

- Review of full assessment report from 2007 and 2008 audit report
- Review of information supplied by Indiana DoF
- Completion of the field audit
- Synthesis of findings and judging performance relative to the FSC Lake States Standard
- Presentation of results
- Preparation of the written certification evaluation report, and this public summary

The field portion of the audit included a broad array of field sites designed to illustrate a cross-section of stand types and treatments, focusing on harvests and other site disturbing activities conducted within the last couple years. During the field audit, the SCS auditors engaged in extensive interviews with DoF staff and contractors.

**DNR Staff and Contractor Interviewees:**

Central Office

Carl Hauser	DoF Property Program Specialist
John Friedrich	DoF Program Specialist
AJ Ariens	DoF Forest Archaeologist
John Seifert	DoF State Forester
Scott Haulton	DoF Wildlife Specialist
Duane McCoy	DoF- BMP Specialist
Laurie Burgess	DoF- Forester

David Vadas	DoF- Forest Supervisor
Hank Hefner	DoF- Forester (intermittent)
David Ramey	DoF- Property Forester
Amy Zillmer	DoF- Forester
Derrick Potts	DoF- Forester
Jim Allen	DoF- Property Manager
Brad Schneck	DoF- Property Manager
Jim Lauck	DoF- Property Manager
Rob McGriff	DoF- Property Manager

John Bacone	DNR- Divisions of Nature Preserves
Glenn Salmon	DNR - Fish and Wildlife
Mike Mycroft	DNR- Parks and Reservoirs

### **Opening Meeting Discussions**

Discussion with Mike Mycroft—Division of Parks and Reservoirs stated that cooperation with DoF is very good with periodic involvement on a variety of issues including regeneration monitoring, assessing status of reservoirs, activities of naturalist staff, archeological site identification and protection.

Discussion with Duane McCoy regarding BMP's. DoF sample 100% of annual timber harvests for BMP compliance. Overall compliance remains strong. An external party samples 10% of the timber harvests. Majority of problems are minor, e.g., a top or two in a stream.

Overall staffing levels at DoF are short of full complement with 2 resource specialist openings and 1 laborer opening.

### **Accomplishments Related to Certification in 2008**

- The Strategic Plan has been finalized with extensive public consultation, and is being implemented
- DoF completed a state forest wide environmental assessment of the impacts of their management focusing on species in need of conservation.
- Several acquisitions have occurred including (800 acres at Pike State Forest of former strip mine land to be restored, 300 acres around Sugar Creek , 1000 acres around Brown County Hill area)
- Archeological review continues to occur with an impressive level of detail and safeguards
- First phase of CFI system has been implemented

Some goals for 2009 were discussed:

- Increase the number of DoF field foresters to insure that timber management activities remain at the highest quality possible by upgrade or classification of existing DoF positions.
- Complete the Habitat Conservation Plan for the Indiana bat and begin implementation. Progress was made in 2008 with the completion of the US Fish and Wildlife Service Regional office review. Some modest revisions are necessary.
- Develop a wildlife habitat management plan for each property, which will include management of T&E species utilizing the Division of Forestry wildlife specialist.
- DoF plans to retain a part-time botanist by the fall of 2009 to further improve protection and restoration of native plant communities.

### **Field Sites Visited**

#### Monday November 10 – Morgan Monroe State Forest

Interviews with Jim Allen, property manager, Dave Vadas, Resource Manager, David Ramey, forest supervisor, Amy Zillmer and Laurie Burgess, resource specialists.

Site 1: Forest Research Block 1; 220 acre - Area harvested & closed out: Excellent example of applied research to better understand hardwood silviculture.

Site 2: C1, Tract 10&11 - Improvement, Selection, Salvage & Group Selection harvest: Pea Ridge Area: Combined sale on major ridge adjacent to Unevenaged Forest. Fire salvage from previous year.

Site 3: C13, Tract 9 – 116 acres; roadside buffer very light cutting, first sale by new forester, marked light touch along road and intermediate thin with group Selections in the core: high recreational use area, marking looked consistent with objectives.

Site 4: C8, Tract 3 – Cut August 08; retain canopy closure because of high use hiking area- worked closely with Hoosier Hiking Council. Landings well hidden, good signage explanation of harvesting objectives.

Site 5: Chemical storage area- chemical storage adequate

#### Tuesday November 11 – Selmier State forest

Interview with Rob McGriff, property manager & district forester.

Due to the small size of this forest we were able to look at the majority of the ownership and the activities conducted over the last few years. The following tracts were reviewed:

Site 1: chemical storage facilities and 1 shop

Site 2: C1, Tract 6 – 36-acre harvest- intermediate thin and salvage; cut in 2008

Site 3: C1, Tract 5- 36-acre harvest cut in 2005; improvement harvest with sing tree and group- excellent tulip poplar production

Site 4: C1, Tract 2,4- 96-acre salvage of storm damage using single tree and group selection. Active job Bill Bane professional logger trained, file paperwork complete.

Site 5: Protected area of limestone outcrop along river with hemlock reserve

Site 6: Archeological site along power corridor, shovel probe found high use pre-historic site and landing was moved.

#### Tuesday November 11 – Jackson Washington

Interviewed Brad Schneck, property manager, Mike Spalding and Jacob Hougham, resource specialists.

Site 1: Compt 2 Tract 10: Marked sale with some salvage. Sale looked good with skid trails water barred and no tops in intermittent stream. Residual stand looked good with minimal damage. This sale contained a known occurrence of an Indiana bat roost. Buffer area and roost trees for bat were adequately marked. Additional quality roost trees in the area were also marked for retention.

Site 2: Compt 2 Tract 16: This is a marked white pine sale on an old field site. Sale has not been sold. Marking appeared adequate and paper work was complete.

Site 3: Compt 5 Tract 12: Sale complete with final BMP inspection complete (very minor road problem). TSI work done prior to sale. 2 small areas had group selection openings that totaled 7 acres and residuals on remainder looked very good. More than adequate water bars on skid trails and adequate buffer along lake. Ephemeral stream crossing was clean and water barred.

Site 4: Compt 4 Tract 11: Improvement cut with single and group selections on 79 acres (Active Harvest). Interviewed operator Mike Reynolds who had Cutter 3, BMP, CPR/First Aid training in the last 2 years. Operating on state forests costs him approximately 25% more because of additional BMP requirements. Observed marking and skidding. Some cull trees with cavities marked- though sale was marked prior to exposure to new guidelines. Good choice for group selection to-be-established around dense pawpaw area. Home site area protected. Skid trails pre-designated by forester.

Site 5: Compt 3 Tract 10: Improvement cut with single tree selection (82 acres). Harvested 2007; TSI Completed April 2008. Home site area protected. Operator not following skid trail alignment resulted in damage to residual white oak at one location. Silviculture and TSI executed effectively. Two BMP violations had been identified during internal review.

Site 6: Compt 6 Tract 13: Improvement cut with single and group selections. Harvest Sept 08. BMP infraction (skidding ephemeral stream) identified during DoF internal BMP review. No mitigation (other than distributing tops) necessary. Harvest executed effectively- TSI not yet complete.

Site 7: Compt 4 Tract 11: Improvement cut with single and group selections on 79 acres (Active Harvest). Interviewed operator Mike Reynolds who had Cutter 3, BMP, CPR/First Aid training in the last 2 years. Operating on state forests costs him approximately 25% more because of additional BMP requirements. Observed marking and skidding. Some cull trees with cavities marked- though sale was marked prior to exposure to new guidelines. Good choice for group selection to-be-established around dense paw paw area. Home site area protected. Skid trails pre-designated by forester.

Site 8: Compt 3 Tract 10: Improvement cut with single tree selection (82 acres). Harvested 2007; TSI Completed April 2008. Home site area protected. Operator not following skid trail alignment resulted in damage to residual white oak at one location. Silviculture and TSI executed effectively. Two BMP violations had been identified during internal review.

Site 9: Compt 6 Tract 13: Improvement cut with single and group selections. Harvest Sept 08. BMP infraction (skidding ephemeral stream) identified during DoF internal BMP review. No mitigation (other than distributing tops) necessary. Harvest executed effectively- TSI not yet complete.

#### Wednesday November 12 – Martin State Forest

Site 1: Compt 3 Tract 7: 89 acre- Improvement cut with single and group selections. Harvest 07. Waterbars, regeneration openings, quality leave trees, snags, arch site, TSI work all well-done. Few tops in creek. Reviewed adjacent pine stand w/ oak regeneration.

Site 2: C3, Tract 5 – 135 acre; mix of improvement cut, Shelterwood cut (which was on the heavy side), TSI work (grapevine removal)

Site 3: C3, Tract 4 – Shelterwood cut with a large opening- up to (9.8 ac), good retention in openings , will produce early successional habitat lacking on landscape, file paperwork complete, no BMP concerns observed.

Site 4: C5, Tract 2 – unsold marked intermediate cut, file paperwork complete.

## **2.4 Status of Corrective Action Requests**

<p><b>Background/Justification:</b> The team recognizes that the Division of Nature Preserves, in cooperation with DoF, has done considerable work establishing nature preserves on state forests. However, it is unclear if the current network of Nature Preserves, in</p>
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conjunction with other protected forests (National Forests, TNC properties, etc), covers the full complex of representative forest types and communities found on State Forest lands (as required by Criterion 6.4)	
<b>CAR 2006.5</b>	By the 2008 surveillance audit, DoF must (working with partners, if possible) complete a gap analysis to identify needs for samples of representative ecosystems found on state forest lands. Upon completion of the gap analysis, DoF must determine through an interdisciplinary approach what, if any, opportunities there may be to establish representative samples on state forests. Between now and 2008, if there arise known opportunities on state forests to contribute to known gaps of representative samples, DoF must begin the process to establish active designations.
Reference	<i>Criterion 6.4</i>
Deadline	Year 2 surveillance audit
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<p><b>DoF Response:</b>  <i>The Division of Nature Preserves (DNP) did a “gap” analysis that identified the communities available on each state forest along with the existing and proposed Nature Preserves in each natural region. We compiled the analysis into a draft document, met with DNP in September.</i>  <i>To determine relative priorities for designation of Representative Ecological Communities, the DoF assigned an index of the level of protection for each community. A summary of those values is presented in Table 1 (available from DoF). Currently, fourteen natural communities are not known to be represented anywhere in the state, and are considered highest priority for designation, identified as Designation Priority I. Of these fourteen communities, seven are forest communities with the remaining seven being other community types. Designation of a Nature Preserve at Ravinia Woods would increase the level of protection for one of these communities (Highland Rim – Brown County Hills Wetland Seep). The Division of Forestry, working with the Division of Nature Preserves, will designate the best examples of these communities as Representative Ecological Communities by January 1, 2009. A summary of these highest priority designations is presented in Table 2 (available from DoF).</i></p> <p><b>SCS Findings:</b>  The DoF/DNP document “RepresentativeEcologicalCommunities.091808.doc”, and associated table of highest priority designations is sufficient evidence that this CAR has been addressed. DoF must now begin making progress on designating the high priority sites as representative ecological communities (CAR 2008.1).</p>	
<b>Status: Closed; CAR 2008.1</b>	

**Background/Justification:** The recent change in direction for the management of Indiana State Forests, as outlined in the Strategic Plan (2005-2007), occurred without adequate internal (DoF staff) and external (outside stakeholders) stakeholder involvement. The 2005-2007 Strategic Plan will be replaced by a strategic plan developed during 2007 to cover activities from 2008-2013. DOF has prepared a

document entitled: a *Commitment to an Improved Process for Detailing Strategic Operational Plans* that outlines the approach for internal and external involvement for completing the next Strategic Plan. Development of that replacement plan will consist of the following broad steps:

Step 1) Issues Determination: Stakeholders (both internal to IDNR and external) will be provided opportunities to provide input to assist the DNR in determining the issues that should be addressed by the strategic plan.

Step 2) Inter-disciplinary teams from within the DNR will create draft goals, objectives and actions for each designated issue.

Step 3) All stakeholders will be provided with opportunities to comment on all of the draft goals, objectives and actions proposed.

Step 4) Finalize the Plan: The DNR will then use those comments to finalize the Strategic Plan for 2008-2013.

DOF has submitted documentation to demonstrate completion of step 1-3. DOF has not yet completed step 4. This step is required in order to complete the process and fully integrate the public comments into development of the next Strategic Plan.

<b>CAR 2007.1</b>	DOF must complete Step 4 (Finalize the Plan: The DNR will then use those comments to finalize the Strategic Plan for 2008-2013) of the document entitled <i>Commitment to an Improved Process for Detailing Strategic Operational Plans</i> .
<b>Deadline</b>	12/31/2007
<b>Reference</b>	<i>FSC Criterion 4.4</i>

**Action Taken By Certificate holder/Auditor Comments**

**DoF Response:** Steps 1-3 were completed before July 1, 2007. Step 4 is underway. The Draft Strategic Plan is available on the DoF web site. The comment period closed December 1. The Division's plan was substantially finished by December 31, 2007, the due-date for this CAR. The finalization of the plan has been delayed by the DNR Executive Office and Indiana Governor's Office regarding discussions to modify the Department's and State's reporting metrics. DoF was told to suspend completion of any strategic planning efforts until those reporting decisions were finalized. In late February, the reporting metrics were finalized. Thus, the State Forest Strategic Plan is now scheduled to be completed and made available to the public by March 30.

**SCS Findings:**

The Strategic Plan was nearly finalized by December 31, 2007, and was delayed for reasons beyond the control of DoF. As a result, SCS will grant a 3 month extension to this CAR. New evidence obtained during the 2008 audit suggests that the level of interdisciplinary cooperation only marginally met the intent of Steps 1-2. In other words, although there were efforts to reach out and incorporate the comments from other Divisions, Step 2 was not really an interdisciplinary collaborative process, as described.

The Divisions of Nature Preserves and Fish and Wildlife are key partners of DoF, and DoF's conformance with Principle 6 (particularly C. 6.2 and 6.4) relies, in part, on the expertise of these other Divisions
<b>Status: Due March 31, 2008:</b>
<b>Action Taken By Certificate holder/Auditor Comments</b>
SCS Findings: The Strategic Plan 2008-2013 was finalized and posted to the DNR site. Its availability was announced through a statewide news release. The strategic plan and comment summary are available on the division website, <a href="http://www.in.gov/dnr/files/fo-Forestry-Strategic-Plan-2008-2013.Final.pdf">http://www.in.gov/dnr/files/fo-Forestry-Strategic-Plan-2008-2013.Final.pdf</a> and <a href="http://www.in.gov/dnr/files/fo_Summary_of_Public_Comments.040108.pdf">http://www.in.gov/dnr/files/fo_Summary_of_Public_Comments.040108.pdf</a> respectively.
<b>Status: Closed</b>

Background/Justification: See CAR 2006.4	
<b>CAR 2007.2</b>	Finalize, train, and begin implementing stand level habitat guidelines.
<b>Deadline</b>	2008 surveillance audit
<b>Reference</b>	FSC Criterion 6.3.b and 6.3.c
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<b>SCS Findings:</b> DoF developed a comprehensive set of Stand level habitat management guidelines. The guidelines reflect current science in habitat requirements, and cover the full range of habitat elements including snags, green tree, den trees, downed woody debris, wildlife pools and ponds, and mast trees/fruit producing vines. Furthermore, the guidelines include specific targets (divided into species and size classes- where applicable) that utilizes an inventory system to track progress toward targets. In summary, these guidelines are a model for practicing ecology forestry. Implementation of these guidelines began in early 2008.	
<b>Status: Closed</b>	

Background/Justification: See CAR 2006.8	
<b>CAR 2007.3</b>	DoF must share with the public the list of areas that have been identified as HCVF. Additionally, DoF must solicit input from the public as to what other areas may qualify as HCVF.
<b>Deadline</b>	2008 surveillance audit
<b>Reference</b>	FSC Criterion 9.2
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<b>DoF Response:</b> The list of HCVF on State Forest Land is included in the document "fo-HighConservationValueForests_100608.pdf" and included on the division web site at <a href="http://www.in.gov/dnr/files/fo-HighConservationValueForests_100608.pdf">http://www.in.gov/dnr/files/fo-HighConservationValueForests_100608.pdf</a> . That document includes the nomination for an additional HCVF with the invitation to submit comments	
<b>SCS Findings:</b> SCS confirmed that the list of designated HCVF sites has been made publically available, and a process by which stakeholder can comment on potential HCVF is in place.	

<b>Status: Closed; See Recommendation 2008.1</b>
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Background/Justification: We assessed several chemical storage facilities across three different properties, and observed a pattern of proper handling. One exception was observed at the Owen Putnam State Forest Headquarters where chemicals were stored inside and outside (on top of) a lockable, dedicated metal but unvented “flammable liquid storage cabinet” within a garage/workshop adjacent to the work area of an employee.

<b>CAR 2007.4</b>	DoF must correct the worker exposure situation in Owen Putnam, and institute a policy to ensure employee work areas are not located near unvented chemical storage areas.
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<b>Deadline</b>	2008 surveillance audit
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<b>Reference</b>	FSC Criterion 6.7
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<b>Action Taken By Certificate holder/Auditor Comments</b>
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**DoF Response:**

1. *The immediate problem at OPSF was corrected, photos were taken to document the change at OPSF.*
2. *We contacted Ric Edwards and Jeff Bird (IDNR Safety Officers) to ask about IDNR policy on pesticide storage. Jeff Bird’s response: “DNR does not have any special requirements for pesticide storage, but OSHA does and we follow their guidelines. OSHA requires that we store herbicide/pesticide chemicals (non-flammable) in a cabinet (wood or metal) and label the door "Danger - Chemicals." Other than that, they don't require much else (except for MSDS sheets on all herbicides/pesticides). I know of a few properties that have special "chemical cabinets" (Like flammable storage cabinets but meant for toxic chemicals, such as acids & etc.) but they can be expensive. You can ask the auditors what they require as far as chemical storage and have all forest properties follow it. Otherwise, just follow what OSHA decrees.”*
3. *We developed a chemical storage policy for inclusion in the Properties Procedures Manual. The draft policy was discussed at the September Properties Section meeting, finalized, and attached as “Pesticide Storage and Use – 1 Procedure Manual Section W.doc”*
4. *The procedure was finalized and is in the process of being included in the procedures manual.*
5. *Instructed all properties to order additional chemical storage cabinets, a group purchase was made, cabinets delivered, installed and in use.*

**SCS Findings:**

Photos of the non-conformance at OPSF showed the problem had been corrected. 19 chemical storage cabinets were purchased for the state forest properties. The chemical storage policy along with the acquisition of new chemical cabinets will greatly reduce the likelihood of this issue repeating itself.

<b>Status: Closed</b>
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Background/Justification: The Divisions of Nature Preserves and Fish and Wildlife are key partners of DoF, and DoF's conformance with Principle 6 (particularly C. 6.2 and 6.4) relies, in part, on the expertise and cooperation of these other Divisions. Consultations during the 2007 audit, suggested that these partnerships are not functioning as well as they should.	
<b>CAR 2007.5</b>	DoF must take steps to improve the level of cooperation and communication between DoF and other relevant Divisions within the DNR.
<b>Deadline</b>	2008 surveillance audit
<b>Reference</b>	FSC Criterion 4.4, 6.2, 6.4
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<p><b>DoF Response:</b>  Specific activities related to the Division of Fish and Wildlife are included below. Division staff members have worked closely with the Division of Nature Preserves on numerous issues.</p> <p><b><i>Project Partnership</i></b>  <i>Early Successional Wildlife (Ruffed Grouse) Management Subcommittee: DoF Forest Wildlife Specialist worked with various DFW personnel (Wayne Bivans, Chief of Wildlife; Steve Backs, Wildlife Research Biologist) and NGOs (including Ruffed Grouse Society) to develop strategies for maximizing habitat enhancement programs and public awareness across the public and private forestland of Indiana.</i>  <i>DFW Access/Forest Wildlife Projects: Property managers routinely work with DFW Access/Forest Wildlife personnel to maintain areas established as non timber wildlife habitat (e.g., openings maintained in warm-season grasses). DoF Forest Wildlife Specialist and Morgan-Monroe SF personnel currently working with DFW Access/Forest Wildlife personnel and district wildlife biologists to develop management plan for the Ravinia Woods unit at MMSF.</i>  <i>Various projects with DFW biologists: Property managers routinely work with DFW fish biologists to stock and manage fisheries on DoF reservoirs.</i>  <i>Hardwood Ecosystem Experiment and other research projects: DoF and DFW are among ten partnering organizations and agencies contributing to this extensive research project residing at Morgan-Monroe and Yellowwood State Forests. Additionally, other DoF properties are currently involved with various research efforts supported/conducted by DFW.</i></p> <p><b><i>Informal Consultation, Document Review, Etc.</i></b></p> <ul style="list-style-type: none"> <li>• <i>DoF Forest Wildlife Specialist initiated "meet-and-greet" with DFW Diversity (non-game) Section to get better acquainted with DFW-DS personnel and responsibilities</i></li> <li>• <i>DoF Forest Wildlife Specialist sought review/comment from DFW Diversity (non-game) Section biologists on draft guidelines for the management of wildlife habitat features (e.g.,snags, cavity trees, special communities).</i></li> </ul>	

- DoF sought review/comment from DFW Diversity (non-game) Section on recent State Forest Environmental Assessment draft.
- DoF Forest Wildlife Specialist sought review/comment from DFW biologists on the draft documents “Effects of silvicultural practices on bird communities in deciduous forests of Eastern and Central North America” and “Does logging during the nesting season negatively affect neotropical migratory bird populations: A literature review”.
- DoF Forest Wildlife Specialist consulted with DFW Diversity (non-game) Section biologists on a variety of issues, including: forest management practices near osprey and bald eagle nests, a citizen’s wildlife relocation request, forest bat monitoring methodology, and forest habitat management related to state endangered species.
- DoF Forest Wildlife Specialist asked to give presentation at DFW Fish and Wildlife Conservation Committee meeting on the DoF and its efforts to create early successional forest habitat.

**SCS Findings:**

In addition to reviewing evidence of the above collaborations, SCS consulted with staff from the Division of Fish and Wildlife and the Division of Nature Preserves. Those consultations confirmed DoF’s opinion of an improved working relationship and level of collaboration.

**FSC RECOMMENDATIONS**

<b>Background/Justification:</b> DoF should readily provide SCS with information regarding significant unresolved disputes at each surveillance audit.	
<b>REC 2006.1</b>	At the time of each surveillance audit, DoF should provide SCS a summary/status report of current unresolved disputes.
<b>Reference</b>	<i>FSC Indicator 2.3.b</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<b>SCS Findings:</b> DoF provided SCS an update of unresolved disputes in 2007 and 2008. It appears DoF has a good system for tracking and working to resolve disputes. SCS expects continued updates as warranted on the status of unresolved disputes.	
<b>Status: Addressed</b>	

<b>Background/Justification:</b> There are no set guidelines or target levels for coarse woody debris.	
<b>REC 2006.2</b>	DoF should develop standards for coarse woody debris retention ensuring sufficient levels in a diversity of size classes are retained.
<b>Reference</b>	<i>FSC Criterion 5.3</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
Such guidelines have been developed. See discussion under CAR 2007.2	
<b>Status: Addressed</b>	

<b>Background/Justification:</b> There is lack of understanding and documentation of habitat needs and management considerations pertaining to species of concern, as defined by the Natural Heritage Element Occurrence Record dataset	
<b>REC 2006.4</b>	DoF should improve the presentation and distribution of information describing habitat and best management practices for species of concern.
<b>Reference</b>	<i>FSC Criterion 6.2</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
This recommendation was largely addressed at the 2007 audit. DoF continued to emphasize continuing education on forest ecology topics as needed. DoF sent four staff to an Ecological Forestry workshop in Wisconsin in October. An Environmental Assessment was completed by DoF that focused extensively on forestry impacts to species of concern. In 2009, DoF will be working on Property-level Wildlife plans that will include objectives for species of concern.	
<b>Status: Addressed</b>	

<b>Background/Justification:</b> Ecological characteristics of adjacent forested stands are not consistently considered. Although each management guide looks within a 2.5 mile radius of the tract- this rarely results in any new information or alteration to the proposed treatment.	
<b>REC 2006.5</b>	DoF should improve the process for considering ecological characteristics of adjacent forested stands and landscape
<b>Reference</b>	<i>FSC Criterion 6.3</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
A new ecological review form was developed to expand upon consideration of landscape level ecological factors. Data is now being collected with these forms and will be used as key input in Tract Plan and Property Wildlife plans. The Recommendation will be continued to see how well the new information is utilized.	
<b>Status: Continued</b>	

<b>Background/Justification:</b> There is an opportunity to use more prescribed fire	
<b>REC 2006.6</b>	DoF should make a commitment to using prescribed fire when possible, and prepare an operating procedure that guides when and how prescribed fire should be used.
<b>Reference</b>	<i>FSC Criterion 6.3</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
The Division proposed a greatly increased use of prescribed fire in the Draft Environmental Assessment. That EA was extensively distributed for public review; many reviewers commented on the inappropriate use of prescribed fire. The Division will continue to evaluate those comments from the public and incorporate appropriate use of prescribed fire to the extent possible.	

It appears that the use or lack of use of fire is going to be driven by factors (e.g., public sentiment, risk, etc) that will trump a DoF commitment to incorporate more fire into management. SCS will continue to assess how much fire is used by DoF as well as the ability of DoF to regenerate and maintain fire dependent communities where fire is not an available tool.
<b>Status: addressed</b>

<b>Background/Justification:</b> Although the vast majority of chemical use follows a written prescription, occasionally DoF staff will treat invasive exotic species without first preparing a written strategy.	
<b>REC 2006.7</b>	DoF should ensure that every herbicide application is done in accordance with a written prescription
<b>Reference</b>	<i>FSC Criterion 6.6</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
DOF has made the following accomplishments:	
<ol style="list-style-type: none"> <li>1. Each management guide evaluates invasive species problems and addresses control needs.</li> <li>2. DoF collected written prescriptions from various properties and distributed to the properties for their use.</li> <li>3. The pesticide use and storage policy requires that any application of pesticide should follow a written prescription. See “Pesticide Storage and Use – 1 Procedure Manual Section W.doc”.</li> <li>4. DoF has contracted with Zack Lowe at Purdue University to create a comprehensive document for control of exotics in Indiana and to provide training. The set of control recommendations by invasive species, extent of control and other considerations is in draft form and expected to be made available to property staff in late 2008.</li> </ol>	
<b>Status: addressed</b>	

<b>Background/Justification:</b> IN BMP’s require operators to carry spill kits; however DoF is not consistently enforcing this requirement.	
<b>REC 2006.8</b>	DoF should ensure that all equipment operators carry spill kits, and are properly trained in containment and clean-up procedures.
<b>Reference</b>	<i>FSC Criterion 6.7</i>
<b>Action Taken By Certificate holder/Auditor Comments</b>	
<p><b>DoF Action:</b>  Although this recommendation was considered addressed at the last audit, DoF advised all properties to acquire spill kits, discuss with loggers at pre-harvest conferences, require loggers to have spill kits at the logging site, and loan to loggers who do not already have a kit. All properties were to have a sufficient supply of spill kits on hand by the end of October. DoF ordered about 60 spill kits, delivered to properties and are on loan to loggers as necessary.</p>	



Note: One operator interviewed during the 2008 audit did not have a spill kit with him.

**Status: addressed**

**Background/Justification:** DoF has an active program and strategies for treating invasive exotic plants; however, these were not communicated in the 2005-2007 Strategic Plan. Due to the recent increases in harvesting, plans and actions to address invasive exotic plants should be clearly communicated in the Strategic Plan.

<b>REC 2006.9</b>	DoF should prepare a section in the strategic plan that details their programs for controlling invasive exotic plants, specifically how invasive species control will be enhanced to be commensurate with the increase in harvesting.
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<b>Reference</b>	<i>FSC Criterion 6.9</i>
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**Action Taken By Certificate holder/Auditor Comments**

DOF Accomplishments: Control of invasive exotic species was addressed in the Strategic Plan and in the State Forest Environmental Assessment. Comments on the EA (appropriately) suggested that our analysis of the effects of proposed harvesting levels on invasive exotic species was inadequate, and will be improved in the next draft.

**Status: addressed**

**Recommendation 2007.1** – DoF should develop and implement a system to improve upon the identification of training needs, and the training received by individual employees.

**Action Taken By Certificate holder/Auditor Comments**

DoF Response:

*General training requirements for property section staff are outlined in the procedures manual, section V, [http://www.in.gov/dnr/files/dof\\_V.PDF](http://www.in.gov/dnr/files/dof_V.PDF) . Specific training needs for each employee are discussed and reviewed during the employee work profile and performance appraisal process.*

*We improved our system of training records. All professional employees were reminded to revisit their record of training to make sure it is up to date, and all supervisors were to review training needs and accomplishments. We asked all properties to send or bring a copy of each record of training to the September 25 properties section meeting. Tom Lyons collected copies of all training records and summarized in the attached document “2008 Training Summary.xls”. Additionally, we follow the Society of American Foresters Continuous Forest Education System which requires a registration list or sign-in sheet for each course. Course agendas and registration lists/sign-in sheets are submitted to SAF with a copy on file at the ISAF CFE coordinator.*

DoF training systems are now clearly sufficient to meet the applicable FSC requirement in 7.3.

**Status: Addressed**

**Recommendation 2007.2** DoF should implement a more pro-active approach to improving snag and wildlife tree coverage by not marking as many cull trees, which leaves the decision to harvest these trees, with little or no economic value, but high wildlife value, up to the discretion of the logger.

**Action Taken By Certificate holder/Auditor Comments**

DOF Response:  
*The Division Wildlife Specialist, Scott Haulton, discusses the values of cull trees at most properties section meeting, and specifically at the September properties meeting. Most field staff are fully aware of the values of snag and cull trees. These tree attributes are collected in the forest inventory, interpreted and analyzed during the tract management guide process, and increased/retained/removed as necessary in tract management activities. These and other wildlife habitat conditions are monitored by a number of systems described in "DoF ecological assessment programs.pdf" and summarized in "ecological assessment appendix.pdf".*

With the revised habitat guidelines and snag and cull tree monitoring, DoF will greatly improve snag and wildlife tree coverage.

**Status: addressed**

**2.5 New Corrective Action Requests, Recommendations, and Observations**

Background/Justification: See CAR 2006.4: The DoF/DNP document "RepresentativeEcologicalCommunities.091808.doc", and associated table of highest priority designations is sufficient evidence that this CAR has been addressed. DoF must now begin making progress on designating the high priority sites as representative ecological communities

<b>CAR 2008.1</b>	DoF must establish short-term (1-2 year) and longer-term measurable targets for designating highest priority communities as Representative Ecological Communities. There must be demonstrated progress toward accomplishing short-term goals at the 2009 audit.
<b>Deadline</b>	2009 surveillance audit
<b>Reference</b>	FSC Indicator 6.4.b.

**Recommendation 2008.1** – DoF should consider using the HCVF Template/Tool Kit in the draft FSC US National Standard to expand upon their identification of HCVF.

## 2.6 General Conclusions of the Annual Audit

As a result of the 2008 annual audit, the SCS audit team concludes the Indiana State Forests continues to be managed in overall conformance with the FSC Principles and Criteria. Sections 2.4 and 2.5 detail the non-conformances with the Lake States Central Hardwoods Standard, and the actions being taken to address them. As such, continuation of the certification is warranted, subject to ongoing progress in closing out the open CAR and subject to subsequent annual audits.

## 3.0 DETAILED OBSERVATIONS

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

REQUIREMENT	C/ NC	COMMENT/CAR
<b>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</b>		
<b>C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</b>	C	Size and scope of sales are appropriately suited to different size logging operations. Managers are very aware of the advantages of maintaining the competitiveness of small local contractors. DoF is facilitating FSC CoC certification for purchasers of state timber, an effort that no other state forest has undertaken.
<b>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</b>	C	See discussion under CAR 2007.4. DoF has taken steps to exceed OSHA requirements with chemical storage and further protect health and safety of employees.  Note: At one active logging site at Morgan-Monroe-Yellowwood- fellers were not wearing all protective gear.
<b>C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).</b>	C	The right to freely associate and unionize is clearly protected by U.S. law.
<b>C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</b>	C	DoF has made significant improvements in its consultations over management planning. Examples of aspects of DoF's management that underwent a public consultation process include: Strategic Plan Environmental Assessment was sent to over 100 stakeholders and the final product incorporated some of the comments received.

		Tract plans/management guides are now posted on the DoF website to ease consultation on specific harvest plans within individual state forest properties.
<b>C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.</b>	C	DoF's notification to adjacent landowners of upcoming activities, open door policies, annual open houses, and State Forest Stewardship Committee meetings are avenues for resolving grievances prior to legal action. Also, DoF's active boundary marking is evidence of an effort to outright avoid a common type of grievance.  Workers compensation and liability insurance are mandatory requirement for all contractors.
<b>P5 Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</b>		
<b>C5.1. Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.</b>	C	Clearly, DoF is a long-term manager of a state forest system that will remain in state ownership. Necessary investment to support long-term forest management (e.g., TSI, inventory, research and monitoring, acquisition) has followed as indicated with the increased revenue from increased harvest levels. Additionally, increased revenue has been used and targeted for acquisitions.
<b>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.</b>	C	Most wood is purchased by local/regionally based contractors who, in turn, sell the harvested logs to processing facilities in the region. DoF is leading a group FSC CoC process to increase benefits to local manufacturers buying state timber.
<b>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</b>	C	BMPs, contract terms, and timber sale oversight by field personnel collectively result in operations taking place within reasonable limits for residual stand damage.
<b>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b>	C	DoF hired a finance specialist to analyze and develop market opportunities for ecosystem services. Considering DoF's efforts to manage for outdoor recreation, the production of timber products, wildlife habitat, watershed health, and biodiversity, there is excellent conformance with this indicator. Specific observations include: <ul style="list-style-type: none"> <li>• Forests are selling a broad range of products including veneer, sawtimber, and some non timber forest products;</li> <li>• Forest recreation opportunities on DoF administered forests are exceptional;</li> </ul>
<b>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</b>	C	No watercourse violations were observed during the 2008 audit. DoF policies are clearly oriented towards maintaining and enhancing the full suite of forest services and resources such as watersheds and fisheries. The careful

		attention to BMP's is an example of efforts to maintain forest services.
<b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>	C	DoF is still harvesting volumes of timber at a rate (target of 12 mmbf approx 50% of growth) that is sustainable and will continue to add volume to the state forests.

### 3.2 Stakeholder Comments

SCS received one stakeholder comment and had discussions with several external stakeholders as part of the 2007 audit. Names of individuals and groups consulted with are maintained in the SCS files.

Comment/Concern	SCS Response
IN DNR is making a sincere and effective effort at meeting the FSC standard on State lands	Duly noted
Certification makes sense for public lands by providing public accountability, but it isn't appropriate for private lands and only adds costs.	Duly noted
The state has not demonstrated a strong commitment to identifying and protecting high conservation value forests on state ownerships.	SCS has concluded that with the closure of CAR 2007.3- DoF has demonstrated a sufficient commitment to identifying and maintaining HCVF. In 2008, the Back Country Area on the Morgan-Monroe/ Yellowwood Forest was nominated as HCVF. Also see Recommendation 2008.1

### 3.3 Controversial Issues

There were no controversial issues during the 2008 certification audit.

### 3.4 Changes in Certificate Scope

Since the certificate has been issued acquisitions have occurred increasing the total acreage to 153,820 acres.

### 3.5 Aspects to Consider in future audits

- Success of oak hickory regeneration
- Wildlife plans—the link between compartment/track to strategic landscape goals level
- Continued implementation of wildlife habitat feature retention guidelines