

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

**State of Indiana DNR – Division of Forestry  
Classified Forest & Wildlands Program**

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

**CERTIFICATION REGISTRATION NUMBER  
SCS-FM/COC-000123N**

**Submitted to:**

**Indiana Department of Natural Resources  
Division of Forestry  
Indianapolis, Indiana USA**

**Lead Author:**

**Michael Thompson**

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November 16-18, 2009**

**Date of Report:**

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**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](http://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 the Indiana DNR Division of Forestry.

## **FOREWORD**

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by the Indiana Department of Natural Resources (DNR) Division of Forestry to conduct a certification evaluation of the Classified Forest and Wildlands Program under an FSC group certification scenario. 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 October 20-24, 2008, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 4-day field and office audit of the subject properties as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

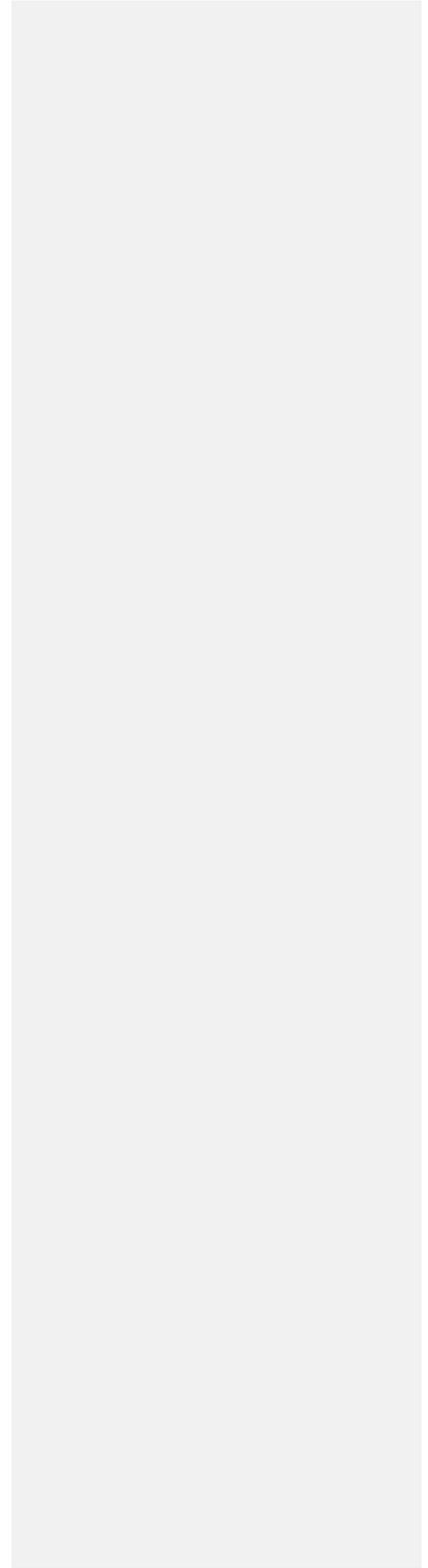
A draft report was issued with pre-conditions that had to be closed prior to award of certification to the Division of Forestry for the management of its Classified Forest and Wildlands Program. These pre-conditions (also known as Major Corrective Action Requests [CARs]) were stipulated by the audit team upon completion of the field audit and had to be addressed by the Division of Forestry and cleared by SCS prior to finalization of this report.

During 2009, the Division of Forestry took steps to address the Major CARs contained in the draft report. A subsequent audit by the Lead Auditor was then conducted during November 16-18, 2009, to determine if the Division of Forestry had adequately addressed the Major CARs. This report is written in support of a recommendation to award FSC certification of the Division of Forestry's Classified Forest & Wildlands Program, as a group certification system, subject to a series of Minor CARs. Minor CARs, as opposed to Major CARs, are conditions that can be addressed by the certificate holder following the award of certification.

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](http://www.scscertified.com)).

Foreword.....	3
Section A- Public Summary and Background Information .....	6
1.0 GENERAL INFORMATION.....	6
1.1 FSC Data Request.....	6
1.2 Management Context.....	9
1.2.1 Environmental Context .....	10
1.2.2 Socioeconomic Context .....	10
1.3 Forest Management Enterprise .....	11
1.3.1 Land Use .....	11
1.3.2 Land Outside Scope of Certification.....	11
1.4 Management Plan.....	12
1.4.1 Management Objectives.....	12
1.4.2 Forest Composition.....	13
1.4.3 Silvicultural Systems .....	13
1.4.4 Management Systems .....	14
1.4.5 Monitoring System.....	14
1.4.6 Estimate of Maximum Sustainable Yield .....	14
1.4.7 Estimated, Current and Projected Production.....	15
1.4.8 Chemical Pesticide Use.....	15
1.5 SLIMF Qualifications .....	16
2.0 Guidelines/Standards Employed.....	16
3.0 THE CERTIFICATION ASSESSMENT PROCESS.....	16
3.1 Assessment Dates.....	16
3.2 Assessment Team.....	17
3.3 Assessment Process .....	18
3.3.1 Itinerary.....	18
3.3.2 Evaluation of Management System .....	19
3.3.3 Selection of FMU's to Evaluate.....	20
3.3.4 Sites Visited .....	20
3.3.5 Stakeholder Consultation.....	20
3.4 Total Time Spent on audit.....	26
3.5 Process of Determining Conformance.....	27
4.0 Results of the Evaluation .....	28
Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C.....	28
4.2 Pre-conditions .....	48
5.0 Certification Decision .....	65
5.1 Certification Recommendation .....	65
5.2 Initial Corrective Action Requests.....	65
6.0 Surveillance Evaluations.....	74
7.0 Summary of SCS Complaint and appeal Investigation Procedures.....	75
Section B Detailed Results of the Full Evaluation.....	77
1.0 Detailed Evaluation of Conformance.....	77
1.1 Controversial Issues .....	114
2.0 TRACKING, TRACING AND IDENTIFICATION OF FOREST PRODUCTS....	115
3.0 Group Management .....	115

3.1	Division of Responsibilities.....	116
3.2	Conformance with Group Management Criteria .....	117
3.3	Group Sampling and surveillance.....	117
3.4	Group Size and Scope .....	117
3.5	Group Members .....	117
3.6	Group Management Evaluation .....	117



## SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 FSC Data Request

Applicant entity	Indiana DNR Division of Forestry
Contact person	John Seifert, State Forester
Address	402 W. Washington St., Room W296, Indianapolis, IN 46204 USA
Telephone	317-232-4116
Fax	317-233-3863
E-mail	<a href="mailto:jseifert@dnr.in.gov">jseifert@dnr.in.gov</a>
Certificate Number	SCS-FM/COC-000123N
Certificate/Expiration Date	3/08/2010-3/08/2015
Certificate Type	Group Certification
SLIMF <i>if applicable</i>	Potentially applicable to some parcels, but audit conducted to full standards
Group Members	7,800 landowners (approximately)
Number of FMU's	10,544 parcels <sup>1</sup> (approximately)
Number of FMUs in scope that are	
less than 100 ha in area	10,377 parcels
100 - 1000 ha in area	167 parcels
1000 - 10 000 ha in area	0
more than 10 000 ha in area	0
Location of certified forest area <sup>2</sup>	Statewide
Latitude	39°46'02.12" N (Indianapolis)
Longitude	86°09'55.47" W (Indianapolis)
Forest zone	Temperate Hardwoods
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	187,221 ha (462,617 ac)
are between 100 ha and 1000 ha in area	26,795 ha (66,210 ac)
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	Many group member parcels likely meet the definition of SLIMF FMUs; the audit, however, was conducted to the full standard
Total forest area in scope of certificate which is:	
privately managed <sup>3</sup>	213,816 ha (528,332 ac)
state managed	0 ha
community managed <sup>4</sup>	0 ha
Number of forest workers (including contractors) working in forest within scope of certificate	Approximately 1,800 loggers, log truck drivers, professional foresters (industry, consulting, State), and timber buyer agents.
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	0 ha recorded; some lands, however, may informally be managed primarily for conservation values, but the majority of Classified Forests are

<sup>1</sup> The number of parcels represents individual properties that are enrolled in the Classified Forest & Wildlands Program. Individual landowners (i.e., group members), however, may own more than one parcel.

<sup>2</sup> Division of Forestry maintains a GIS with the location of all potential group member parcels.

<sup>3</sup> The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

<sup>4</sup> 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.

	available for harvest; within the overall program, Classified Wildlands are specifically managed for conservation values, but the FSC group certification applies specifically to Classified Forests
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	0 ha recorded; some NTFPs are undoubtedly harvested from Classified Forests, but few – if any – lands are managed for NTFPs to the exclusion of timber
Area of forest classified as 'high conservation value forest'	Estimated to be less than 5 percent of the total certified forest <b>Dave: Need acreage estimate from Division of Forestry</b>
List of high conservation values present <sup>5</sup>	Predominantly habitat for rare, threatened and endangered species and rare natural communities, municipal watersheds, and large intact forests where the group member owns a portion of a larger tract
Chemical pesticides used	<b>Dave: Need updated list of commonly used chemicals from Division of Forestry.</b>
Total area of production forest (i.e. forest from which timber may be harvested)	Approximately 213,816 ha
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0 ha meeting the FSC definition of plantation, but some areas are planted
Area of production forest regenerated primarily by replanting <sup>6</sup>	0 ha (natural regeneration predominates); some Classified Forests and Wildlands properties are old fields that were planted to hardwoods and allowed to progress to a natural stand condition.
Area of production forest regenerated primarily by natural regeneration	Approximately 213,816 ha (528,332 ac)
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)  Note: There are over 100 native trees that can be used to produce forest products in Indiana. The accompanying list indicates the species more commonly used in the forest products industry.  A list of non-timber species that could potentially be sold as FSC-certified from group-member properties was not available at the time of the audit.	American chestnut ( <i>Castanea dentata</i> ) White ash ( <i>Fraxinus americana</i> ) Green ash ( <i>Fraxinus pennsylvanica</i> ) Black ash ( <i>Fraxinus nigra</i> ) Blue ash ( <i>Fraxinus quadrangulata</i> ) American basswood ( <i>Tilia americana</i> ) American beech ( <i>Fagus grandifolia</i> ) Ohio Buckeye ( <i>Aesculus glabra</i> ) Butternut ( <i>Juglans cinerea</i> ) Black cherry ( <i>Prunus serotina</i> ) Kentucky coffeetree ( <i>Gymnocladus dioica</i> ) Eastern cottonwood ( <i>Populus deltoides</i> ) American elm ( <i>Ulmus americana</i> ) Red/Slippery elm ( <i>Ulmus rubra</i> ) Blackgum ( <i>Nyssa sylvatica</i> ) Sweetgum ( <i>Liquidambar styraciflua</i> ) Hackberry ( <i>Celtis occidentalis</i> ) Sugar (Hard) maple ( <i>Acer saccharum</i> ) Silver (Soft) maple ( <i>Acer saccharinum</i> ) Red (Soft) maple ( <i>Acer rubrum</i> )

<sup>5</sup> High conservation values can be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at [www.ProForest.net](http://www.ProForest.net) or reference can be made to descriptions contained in the FSC Regional Standards

<sup>6</sup> 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.

	Shagbark hickory ( <i>Carya ovata</i> ) Mockernut hickory ( <i>Carya alba</i> ) Bitternut hickory ( <i>Carya cordiformis</i> ) Pecan ( <i>Carya illinoensis</i> ) Black locust ( <i>Robinia pseudoacacia</i> ) Honey locust ( <i>Gleditsia triacanthos</i> ) White oak ( <i>Quercus alba</i> and others) Red oak ( <i>Quercus rubra</i> and others) Osage-Orange ( <i>Maclura pomifera</i> ) Sassafras ( <i>Sassafras albidum</i> ) American sycamore ( <i>Platanus occidentalis</i> ) Black walnut ( <i>Juglans nigra</i> ) Black willow ( <i>Salix nigra</i> ) Yellow-poplar ( <i>Liriodendron tulipifera</i> ) Persimmon ( <i>Diospyros virginiana</i> ) American Basswood ( <i>Tilia Americana</i> ) Eastern White pine ( <i>Pinus strobus</i> )
Approximate annual allowable cut (AAC) of commercial timber	Average annual cut of approximately 30 million board feet (Doyle)
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	NTPF volumes are not tracked
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, pulpwood, and chips

### Conversion Table English Units to Metric Units

#### Length Conversion Factors

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

#### Area Conversion Factors

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

#### Volume Conversion Factors

##### Volume

To convert from	to	multiply by
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**

Indiana's Classified Forest and Wildlands Act is a tax-incentive program that has protected forestlands in the state since the 1920s (i.e., protection of wildlands came later). Key objectives of the program include better woodland and wildlife stewardship and the protection of watersheds through equipping CF&WL owners with technical management assistance through periodic communications and land inspections by professional foresters and wildlife biologists. Classified Forest designation applies to forested lands and Classified Wildlands designation applies to other conservation lands enrolled in the program.

Classified Forest and Wildlands contain a minimum of 10 contiguous acres that support native or planted trees, native or planted grasslands, wetlands, and other types of natural habitats. The landowner retains ownership of the land while agreeing to protect it from development, livestock grazing, fires that are not part of the management plan, destructive timber harvesting practices, and other inappropriate activities that threaten the integrity of the natural resources on the property.

The Indiana DNR Division of Forestry seeks to enroll most Classified Forest lands (i.e., program lands that are forested) in an FSC-certified group certification system. The Division of Forestry would be the group administrator and individual landowners would be group members. Group members include private landowners, private corporations, non-profit entities, and potentially a limited number of tribal enterprises. Individual group members may own one or more parcels that are enrolled in the Classified Forest Program.

The FSC has authorized the use of what are called "opt-in" and "opt-out" enrollment programs for large-scale group certification efforts. With opt-in enrollment, potential group members are invited to join a group and, if interested, make a specific request to be included in the group. With an opt-out program, potential group members are added to a group certification system and then given an opportunity to decline membership (i.e., all invitees are considered to be part of the group unless they specifically decline membership and opt-out of the group). The Division of Forestry has elected to run an opt-out program and at the time of the initial audit had prepared draft documents that would be sent to eligible group members, representing a subset of properties enrolled in the Classified Forest portion of the Classified Forest and Wildlands Program. Subsequent to the initial audit, and prior to the 2009 follow-up audit, the Division of Forestry mailed opt-out documents to all potential group members and held a series of public meetings throughout Indiana in an effort to explain the FSC group concept to interested landowners.

As a public/private partnership enterprise located in the FSC's Lake States Region, management of the Classified Forest Program is subject to a host of local, state and federal regulations. The principal regulations of greatest relevance to forest managers in Indiana are

associated with the following statutes:

***Pertinent Regulations at the Federal Level:***

- Endangered Species Act
- Clean Water Act (Section 404 wetland protection)
- Occupational Safety and Health Act
- National Historic Preservation Act
- Archaeological and Historic Preservation Act
- Americans with Disabilities Act
- U.S. ratified treaties, including CITES

***Pertinent Regulations at State and Local Level:***

- Classified Forest Act
- Indiana Flood Control Act
- Licensed Timber Buyers Law
- Blue River Commission (Harrison County)
- Crawford County (road hauling)
- Greene County (road hauling)
- Franklin County (selective cutting only in Whitewater River Scenic District)
- Martin County (road hauling)
- Monroe County (logging permit and road bond)
- Owen County (road hauling)
- Perry County (road hauling)

**1.2.1 Environmental Context**

Historically, forests covered approximately 85 percent of the state of Indiana, but by the early 1900s most forestland had been cleared for farming, industry, infrastructure, and homes. Forestlands, however, have recovered and in current times approximately 20 percent of the state (4.5 million acres) is forested, most (70 percent) in the portion of the state south of Indianapolis<sup>7</sup>. In the southern part of the state, most forests are found in large, consolidated blocks, whereas in the flat, glaciated terrain north of Indianapolis, forests typically occur in scattered woodlots and along rivers and streams. Hardwoods make up approximately 96 percent of the tree species that grow naturally in Indiana, with the most common species groups being oaks, maples, yellow-poplar, walnut, hickory, and ash.

**1.2.2 Socioeconomic Context**

Indiana's forests contribute approximately \$9 billion to the state economy on an annual basis. Forest-based manufacturing provides over \$8 billion in annual shipments (approximately 6 percent of all manufacturing), and forest-based recreation and tourism expenditures total

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<sup>7</sup> Please refer to *Forests of Indiana: Their Economic Importance* (2004) by S. Bratkovich *et al.*, USDA Forest Service, Northeastern Area State and Private Forestry, Publication NA-TP-02-04.

approximately \$1 billion per year. The sale of trees generates annual estimated revenue of \$175 million, while associated products such as Christmas trees, maple syrup, and firewood contribute an additional \$25 million.

Forest-based manufacturing provides employment for over 54,000 people and generates payrolls of over \$1.4 billion annually. Each 1,000 acres of timberland in Indiana directly supports 12 forest-based manufacturing jobs and for every acre of Indiana timberland, over \$340 of direct forest-based manufacturing is generated annually.

Private landowners own approximately 85 percent of the forestlands in Indiana and the majority of these are family forest owners with average forested parcel sizes less than 25 acres. Annually, net growth of Indiana's forestlands averages 52 cubic feet (0.4 cords) per acre.

Timber harvesting in Indiana is primarily accomplished by small, independent logging companies employing less than 20 people. In 2000, there were approximately 530 logging firms in the state with 2,000 employees and an estimated payroll of \$40 million.

Indiana's primary forest products industries are predominantly oriented toward the use of hardwood sawlogs, although markets for pulpwood exist in some areas. Non-timber forest products from the state include firewood, maple syrup, Christmas trees, mushrooms, herbs, medicinal plants, and floral supplies.

Forest-related recreation and tourism also make a significant contribution to Indiana's economy, including activities related to hunting, fishing, wildlife watching, hiking, camping, and horseback riding.

### **1.3 Forest Management Enterprise**

#### **1.3.1 Land Use**

By definition, lands enrolled in Indiana's Classified Forest Program are forested parcels that are protected from development and other uses contrary to long-term forest management. In the southern part of the state, forests occur in more contiguous blocks but are still interspersed with farmlands, residential areas, and urban areas. In the northern part of the state parcels tend to be small woodlots in an agricultural matrix or riparian forests near streams and rivers. Overall, Indiana maintains a rural character.

#### **1.3.2 Land Outside Scope of Certification**

Lands in Indiana outside the scope of the certification include:

- Landowners choosing not to participate in the Classified Forest Program,
- Enrolled landowners who decide to opt-out of the Division of Forestry's FSC group certification system; and
- Small forested areas excluded from CFP enrolled properties

At the time of the audit, the Division of Forestry had a draft list of eligible group members, but these landowners had yet to be informed of the program and given an opportunity to opt-out of the group. This was, however, a strategic decision by the Division of Forestry, which assumed that more detailed information could be provided to landowners following the audit.

#### **1.4 Management Plan**

The Division of Forestry recently received certification of the Classified Forest Program under the American Tree Farm system. As part of this effort, the Division prepared documents that could be considered part of the management plan that described group management systems and protocols. At the time of the initial audit, however, the Division had yet to finalize a similar document for the purposes of FSC group certification. Management plans, therefore, for the purposes of the initial evaluation were represented by the management plans required by regulation for each parcel enrolled in the Classified Forest Program.

The Division of Forestry has 20 districts that cover the entire state of Indiana. Each District has a District Forester who is available to offer management assistance to landowners enrolled in the Classified Forest Program. Every landowner enrolled in the Classified Forest Program is required to have a management plan and this plan is either prepared by the District Forester or approved by them if prepared by a private or consulting forester.

The Division of Fish and Wildlife has 15 districts covering Indiana. Each District has a District Wildlife Biologist and this person is available to advise the landowner or the District Forester when wildlife issues are at the forefront for managing a specific parcel.

The DNR also has programs related to rare plants, animals, and natural communities, and historic and archaeological resources that relate to management of Classified Forests.

Following the initial evaluation, the Division of Forestry prepared an Umbrella Management Plan for the Classified Forest Certified Group. This plan addresses management of the FSC-certified group entity and, among other things, addresses: 1) goals and objectives for the collective land base; 2) roles and responsibilities for group members and group managers; 3) eligibility requirements for group membership; and 4) internal monitoring and Corrective Action Request protocols. This plan also addresses resource management at the group level, with specific elements related to: 1) forest types; 2) desired future condition of the forest; 3) ecological, social, and economic objectives; 4) silvicultural systems; 5) special management areas; 6) forest growth and dynamics monitoring; 7) herbicide use; 8) marketing of forest products; 9) FSC Representative Sample Areas; and 10) FSC High Conservation Value Forest.

##### **1.4.1 Management Objectives**

Management plans follow a general format for each parcel and must cover the same resource topics, even if prepared by a private or consulting forester, including forest cover types and

stand composition, unique wildlife habitats, rare species, historical and archaeological resources, and management recommendations. The plans are revised as needed every 10 years, or with change in ownership, and landowners must agree to implement the management recommendations in the plan.

Review of the management plan, and its implementation, require site visits by the Division of Forestry every 5 years. The District Forester generally conducts the site visit at least every 10 years and the intervening visits may be conducted by an assistant, with training and oversight by the District Forester. In response to the initial FSC audit, the Division of Forestry developed new protocols that require site visits by the District Forester to group member properties with harvest activities that include a pre-harvest conference with the logging contractor, one or more visits during harvest operations, and a post-harvest inspection.

With such a wide array of landowners, management objectives vary greatly from parcel to parcel, depending on forest condition, specific landowner objectives, and management recommendations. Most landowners list management for forest products as a primary objective, but the majority also holds the land for recreational use and other non-timber pursuits.

#### **1.4.2 Forest Composition**

Hardwoods make up approximately 96 percent of the tree species that grow naturally in Indiana, with the most common species groups being oaks, maples, yellow-poplar, walnut, hickory, and ash. There are a wide range of forest conditions on the potential group member properties, but it is notable how many are in a mature sawlog condition, which can be attributed to land use history and a regional tendency toward light harvests.

#### **1.4.3 Silvicultural Systems**

As noted above, Indiana – like many states – went through a period of intense harvesting in support of residential and industrial development, infrastructure creation, and conversion to agriculture. At one point, timber harvesting was so rapid that some believed that the state would soon be without trees. That trend, of course, reversed beginning in the early 1900s, resulting in the well-stocked forests that we see in many regions of the state today.

Based on this land use history, many stands are 80-100 years old and well stocked with quality hardwoods. For a variety of reasons, these stands tend to be managed under single-tree and small-group silvicultural systems, although some landowners choose overstory removal prescriptions. As such, some parcels are lightly harvested on a relatively frequent basis (e.g., every 10-15 years) and while others are harvested more intensively on longer schedules of approximately 15-25 years. In addition, some lands have received very little harvesting activity due to the landowner's preference.

#### **1.4.4 Management Systems**

The Indiana DNR Division of Forestry will serve as the group manager for the FSC certification pool for Classified Forest Program lands. This is a natural fit for the Division of Forestry given their legislative mandate to oversee the Classified Forest Program.

The Division of Forestry is within the DNR, which also contains various divisions related to engineering, Nature Preserves, fish and wildlife management, rare plant and animal species, historic and archaeological resources, and recreational resources. Only Division of Forestry staff members have a direct responsibility to administer the Classified Forest Program, but all divisions are available to provide assistance when needed.

The Division of Forestry is led by the State Forester, which is a professional position currently held by John Seifert. The State Forester oversees a staff located in Indianapolis that includes a person dedicated to the oversight of the Classified Forest and Wildlands Program. As previously noted, there are 20 Division of Forestry Districts and District Foresters report directly to the Assistant State Forester and indirectly to the State Forester and other staff.

Each parcel enrolled in the Classified Forest Program must have a current management plan that is renewed every 10 years. District Foresters prepare many of these plans, occasionally with help from assistant district foresters, intermittent foresters, or student interns. Landowners may also elect to have their plans prepared by a private or consulting forester, but they still must meet State standards and be approved by the District Forester.

In years past, District Foresters also assisted landowners with implementation of the management plan, including marking timber sales and assisting with harvest implementation. Division of Forestry staff no longer provide these services and limit their involvement in plan implementation to providing technical advice when requested. Some landowners take advantage of this service, whereas others rely on private consulting foresters, industry foresters, and/or logging contractors to plan and implement harvests. The same holds true for other management activities, such as planting, herbicide or pesticide use, and road construction.

#### **1.4.5 Monitoring System**

Classified Forest Program regulations or policy require a site visit by Division of Forestry staff every 5 years and the District Forester generally conducts a site visit at least once every 10 years. When other Division staff or student interns conduct the 5-year inspections, it is done under the direction of the District Forester. The purpose of the visit is to determine compliance with the CF&WL law and if the management plan is being followed, to assess current forest conditions, and to collect information needed to update the management plan. As noted above, the Division now requires additional visits to active timber harvests by District Foresters. The Division has also implemented a new program for monitoring BMP compliance on at least 10 percent of harvest operations per year.

#### **1.4.6 Estimate of Maximum Sustainable Yield**

The potential yield of forest products at the group level is explained in the Division of Forestry's Umbrella Management Plan. At the parcel level it is addressed, as appropriate, in the specific management plans and is based on stand conditions and landowner objectives. For that reason, actual harvest rates can vary substantially from parcel to parcel. That said, there is a notable tendency in Indiana to harvest using single-tree and small-group selection systems.

The Division of Forestry assessed volume and growth on Classified Forest Program lands in October 2008 and provided this analysis to the SCS audit team (see Section 1.4.7).

#### **1.4.7 Estimated, Current and Projected Production**

Based on past records, the Division of Forestry estimates average annual production of approximately 30 million board feet (Doyle) from the Classified Forest Program properties. In a more formal assessment, the Division of Forestry analyzed data in October 2008 from approximately 108 FIA plots that occur on Classified Forest Program properties. These plots are measured on a continuous basis, with 1 panel, or one-fifth of the plots, measured each year. FIA plots were most recently measured during 2003-2007. For attributes such as total acreage and gross volume, all 108 FIA plots were used. For growth, mortality, removals, etc., only the plots visited during the current cycle (4 panels; 2004-2007) were used, representing approximately 86 plots.

The USFS's EVALIDator tool was used to interpret the data, providing the following results:

- Total volume on Classified Forest Program lands is estimated at 3,749,135,572 board feet, Int. ¼ scale, ± 11.5 percent; when converted to Doyle using USFS conversion factors by dbh class, the volume is approximately 2,424,264,162 board feet;
- Net growth of sawtimber on forestland is 110,346,482 board feet, Int. ¼ scale, ± 16.2 percent, or 63,386,689 board feet Doyle; net growth is that above mortality but includes removals;
- Net growth is positive for all species groups except Elm-Ash-Cottonwood;
- Sawtimber mortality is 24,240,360 board feet, Int. ¼ scale, ± 33.4 percent or 0.65 percent of total standing volume;
- Sawtimber removal is 47,440,232 board feet per year, Int. ¼ scale, ± 48.8 percent, or 30,674,854 board feet Doyle;
- Based on analysis of the recent FIA data, the Division of Forestry conservatively estimates that sawtimber growth exceeds harvest rates.

#### **1.4.8 Chemical Pesticide Use**

Chemicals may be used on Classified Forest Program properties in the form of herbicides or pesticides for the purposes of controlling unwanted vegetation or forest pests. Chemical application may be done by the landowner or a contracted chemical applicator. District Foresters may make recommendations for chemical use in the management plan or during consultation initiated by the landowner.

A variety of chemicals may be used on Classified Forest Program properties, and at the time of the original audit the Division of Forestry did not require notification or record-keeping regarding chemical use. It was not possible, therefore, to list the chemicals used, or for what purposes, at the time of the audit. At the time of the audit the Division of Forestry also could not evaluate if any chemicals banned by the FSC were being used on Classified Forest Program properties.

Following the initial audit, the Division of Forestry created systems requiring the reporting of chemical use on individual parcels. The Division also informed group members that the FSC bans certain chemicals.

### **1.5 SLIMF Qualifications**

Management of some properties undoubtedly meets Small or Low Intensity Managed Forests SLIMF standards, although this could not be quantified at the time of the audit. As part of managing the FSC group program, the Division of Forestry may be required to differentiate between SLIMF and non-SLIMF properties for group management and future auditing purposes.

## **2.0 GUIDELINES/STANDARDS EMPLOYED**

The Lake States-Central Hardwoods Regional standards were employed by the audit team. These standards were accredited by FSC International on August 5, 2002 (final version 3.0 was published on February 10, 2005), and are available at [www.fscus.org](http://www.fscus.org). As previously noted, the FSC SLIMF standards may apply to many Classified Forest Program properties, but the current evaluation was conducted to the full standards.

For the Lake States-Central Hardwood region, indicators 4.4.e, 5.6.a, 6.2.a, and criterion 6.4 are considered fatal flaws. This means that failure to meet these indicators or criterion will preclude issuance of a FSC certificate until the deficiencies are adequately addressed.

## **3.0 THE CERTIFICATION ASSESSMENT PROCESS**

### **3.1 Assessment Dates**

The initial assessment was completed during October 20-24, 2008, following a formal preliminary evaluation of the program by SCS on May 22-23, 2008. The result of the initial

assessment was a recommendation not to award certification until certain pre-conditions were met. The Division of Forestry took measures to address these pre-conditions and a follow-up audit was conducted during November 16-18, 2009, to determine if award of certification was warranted.

### 3.2 Assessment Team

**Michael E. Thompson, M.Sc., Team Leader:** Michael Thompson served as team leader for the initial assessment and the primary auditor for the follow-up audit. He is a Certified Wildlife Biologist and Professional Wetland Scientist with over 25 years of experience in wildlife research, wetland science, quantitative ecology, rare plant and animal management, forest management, and environmental permitting. He has a B.Sc. degree in wildlife from the University of Idaho and a M.Sc. degree in wildlife from the University of Maine. He was also a member of the FSC's Northeast Regional Standards Working Group. Over the last 10 years, Mr. Thompson has conducted FSC certification evaluations in Maine, Maryland, West Virginia, Pennsylvania, Tennessee, Connecticut, Idaho, Ontario, and New Brunswick.

**George R. Parker, Ph.D.:** Dr. Parker taught forestry at Indiana's Purdue University for over 37 years (1970-2007) and currently holds the position of Professor Emeritus. He received his B.Sc. degree in forestry from Oklahoma State University, where he also earned his M.Sc. degree in plant ecology. His doctoral work was done at Michigan State University, where he received his Ph.D. in forest ecology. Dr. Parker has written numerous publications on forest ecology and forest management in Indiana, and he was a member of the FSC's Regional Standards Working Group for the Lake States-Central Hardwoods Region.

**Donald E. Carlson:** Donald Carlson is the Department Forester with Purdue University's Department of Forestry and Natural Resources, with management and research responsibilities on approximately 4,100 acres on 25 properties throughout Indiana. Mr. Carlson received an A.S. degree in conservation law enforcement from Vincennes University and a B.Sc. degree in forestry from Purdue University. He was a District Forester for the Indiana DNR's Division of Forestry from 1995-2000.

**Kathryn Fernholz:** Kathryn Fernholz led the stakeholder consultation for the assessment. Kathryn has worked on development and forest management issues in a range of roles. Since 2006 Kathryn has served as Executive Director of Dovetail Partners, Inc., a Minneapolis-based non-profit. Previously, while employed with a consulting firm, Kathryn was a member of the environmental department and assisted with natural resource inventories, reporting, and environmental impact assessments including the use of Geographic Information Systems (GIS). While working with the Community Forestry Resource Center, Kathryn managed a group certification project for family forests and worked to increase local capacity to provide forest management and marketing services that are compatible with certification standards. Kathryn has served as Chair of the Minnesota Chapter of the Society of American Foresters and filled an appointment to the Minnesota Forest Resources Council. Kathryn has a B.Sc. degree in forest resources from the University of Minnesota, College of Natural Resources, and also studied at the College of Saint Benedict in St. Joseph, MN, and Sheldon Jackson College in Sitka, Alaska.

**Sterling Griffin, RPF #2805 (Preliminary Evaluation):** Sterling Griffin was a Senior Certification Forester with Scientific Certification Systems at the time of the Preliminary Evaluation. He is a Registered Professional Forester in the State of California with 10 years professional experience in private and public forest management. He is a graduate of Purdue University with a B.Sc. in forestry and has conducted FSC-endorsed assessments on over 6 million acres of forestland in North and South America. Recent FSC assessments have included public lands administered by Fort Lewis, WA, Forestry Branch, Michigan DNR, Indiana DOF, New York DEC, Maryland DNR and numerous private operations in Maine, Pennsylvania, Oregon, Washington, and California. Prior to joining SCS, he was the founder of a private consulting firm in Northern California specializing in sustained yield management, fuels reduction, and forest health management. His professional career also includes silvicultural and ecosystem research for the U.S. Forest Service. Areas of research activities include stand level response to vegetative competition and Long-Term Ecosystem Productivity (LTEP) in the Pacific Northwest.

### **3.3 Assessment Process**

#### **3.3.1 Itinerary**

A Preliminary Evaluation was conducted on May 22-23, 2008, with a report of the results provided to the Division of Forestry on July 23, 2008. The auditor reviewed management system documents and conducted a field visit to witness management system implementation. The on-site portion of the scoping visit included an opening meeting in the Indianapolis Division of Forestry offices with presentations by key staff related to the Classified Forest Program. Staff members present included John Seifert, State Forester, Dan Ernst, Assistant State Forester, Carl Hauser, Properties Program Specialist, Brenda Huter, Forest Stewardship Coordinator, Charles Ratts, District Forester, Gary Langell, Private Lands Program Manager F&W, Cloyce Hedge, Division of Nature Preserves, and A.J. Ariens, Archaeologist.

The field visit included visits to three properties enrolled in the Classified Forest Program. The sites visited included a plantation established on pasture land and two sites that had recently been harvested. The harvested sites both contained watercourse crossings and road maintenance. Both harvests were done as selective cuttings (Note: Classified Forest lands must retain at least 40 ft<sup>2</sup> of basal area or 1,000 trees/acre).

Following the on-site portion of the assessment, the FSC lead auditor spent time reviewing Division of Forestry documents and preparing a preliminary assessment.

The following itinerary was followed for the full evaluation:

**Classified Forest & Wildlands Program Audit for  
Forest Stewardship Council (FSC) Certification  
October 20 – 24, 2008**

***Monday, October 20: Division of Forestry Office, Indianapolis***

8:00 AM Auditors' Meeting (private planning session for audit team)  
9:00 AM Welcome & Introductions  
9:10 AM Classified Forest & Wildlands Program Overview  
10:00 AM Heritage Program – Division of Nature Preserves  
10:30 AM CFW Program and FSC certification  
11:30 AM Group Management  
Noon Lunch (ongoing discussions with staff members)  
1:00 PM FSC Principles Review  
3:00 PM Travel to Audit Regions

***Tuesday, October 21***

8:00 AM Field Audits<sup>8</sup>  
7:00 PM Public Stakeholders' Meeting – Meadow Primary School, Greencastle<sup>9</sup>  
7:30 PM Auditors' conference call

***Wednesday, October 22***

8:00 AM Field Audits  
7:30 PM Auditors' Conference call

***Thursday, October 23***

8:00 AM Field Audits  
3:00 PM Return to Indianapolis  
4:00 PM Auditors begin evaluation process

***Friday, October 24***

8:00 AM Auditors continue evaluation process and determine conformance to FSC standards  
Noon Closing Meeting and presentation of preliminary results – Division of Forestry Office  
3:00 PM Adjourn

**3.3.2 Evaluation of Management System**

The approach to evaluation of the management system included:

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<sup>8</sup> Given the scope of the evaluation, the team divided into 3 parties with each team member assigned a region of the state to visit. To keep in touch during the field portion of the audit, an evening conference call was scheduled each day for the full team; the Team Leader was also available to team members via cell phone throughout the field portion of the audit.

<sup>9</sup> Attended by, among others, Michael Thompson, SCS Team Leader, and Jack Seifert, Indiana State Forester

- Becoming familiar with the Division of Forestry's structure and their approach to management of a group certification system;
- Understanding the full capabilities of the DNR and how these are, or could be, applied to management of Classified Forest Program properties;
- Becoming familiar with the District Forester's role in managing Classified Forest Program lands;
- Meeting with landowners and other stakeholders to become familiar with their perspective on the Classified Forest Program as it relates to FSC certification; and
- Visiting a sample of properties and observing implementation of management plan recommendations and evaluating conformance to the FSC Principles and Criteria.

### **3.3.3 Selection of FMU's to Evaluate**

The forest management operation to be certified is a group certification system with thousands of potential group members. Classified Forest Program lands occur state-wide, which necessitated dividing the audit team into 3 independent groups for the field portion of the evaluation. Individual parcels were considered to be the lowest forest management unit (FMU) in the group so a random sample of individual parcels was selected for a site visit. The Division of Forestry provided the audit team with a list of all potential group members and sites to visit that were selected based on geographical representation, forest type representation, and recent management activities. The sample was also designed to draw lands from a random sample of District Foresters.

### **3.3.4 Sites Visited**

50 individual parcels were visited by the auditors over a 3-day period (October 21-23, 2008). To maintain the confidentiality of the private landowners, parcel names are not given here. SCS, however, maintains a record of all sites that were visited, including auditor observations.

### **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 the Indiana Classified Forests Program, relative to the standard, and the nature of the interaction between the Indiana DNR Division of Forestry (the group manager) and the surrounding communities; and
- 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 the Indiana DNR Division of Forestry and additional stakeholder contacts from other sources (e.g., members of the regional FSC working group). The

following types of groups and individuals were determined to be principal stakeholders:

- Indiana DNR Division of Forestry employees and contractors;
- Landowners enrolled in the Indiana Classified Forests Program;
- Adjacent property owners;
- Pertinent Tribal members and or representatives;
- Members of the Regional FSC Working Group/National Initiative;
- FSC International;
- 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 forestlands enrolled in the program;
- Local, State, and Federal regulatory agency personnel;
- User groups, such as hikers, hunters, ATV users, and others; and
- Other relevant groups.

Prior to, during, and following the site evaluation, a wide range of stakeholders was consulted in regard to their relationship with the Indiana DNR Division of Forestry and their views on the management of the properties enrolled in the Indiana Classified Forests Program. Stakeholders included FSC contact persons, government and non-government organizations involved in forest management, local citizens and groups, employees, contractors, and others. Stakeholders were contacted with notification mailings soliciting comments and inviting participation in the public meeting. Notifications were distributed via email as well as a hard copy mailing. Phone contacts were also made. At least 100 stakeholders representing diverse environmental, social and economic interests were contacted during the process and invited to provide comments. Comments were received via meetings and personal interviews “face-to-face”, phone interviews (“Interview”), and through written responses. Individuals were asked to provide permission to be listed in the report and additional comments may have been received from individuals not wishing to reveal their identities. Stakeholder comments were also received as part of a public meeting held on October 22, 2008, that was attended by approximately 15 members of the public as well as the audit Team Leader and Division of Forestry staff.

<i>Name</i>	<i>Affiliation</i>	<i>Consultation</i>
Bob Burke	State Tree Farm Committee	Interview
Rick Harvey	Forest Management Contractor	Interview
Liz Jackson	Indiana Forestry and Woodland Owners Association	Interview
Matt Limcaco	Kirkham Hardwoods	Interview

Bob Mayer	Forestry Consultant	Interview
Larry Owen	Forestry Consultant	Interview
John Shuey	The Nature Conservancy	Interview
John Stambaugh	Forestry Consultant	Interview
Jim Steen	Pike Lumber Company	Interview
Robert Woodling	Landowner	Interview

Additional comments were received via email throughout the audit process and comments from Division of Forestry staff, landowners, foresters, and loggers were provided to auditors during the site visits.

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

The following tables provide a summary of the types of comments received from stakeholders related to the standards as well as major perspectives and concerns.

#### General Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>Landowners would like better information regarding FSC certification and what group membership might mean to them individually.</li> </ul>	The Division of Forestry has prepared draft documentation explaining FSC certification for landowners and intends to mail this information to landowners in early 2009. A <b>Major CAR</b> was issued relative to this type of comment.
<ul style="list-style-type: none"> <li>Landowners would like to know who will bear the cost of certification, now and in the future.</li> </ul>	Future certification costs are an item to be addressed by the Division of Forestry, which is sponsoring the current evaluation effort.
<ul style="list-style-type: none"> <li>Landowners would like to know if there is enough demand for FSC-certified product to justify the expense of certification.</li> </ul>	According to the Indiana State Forester, there are increasing requests for FSC-certified products from the State.
<ul style="list-style-type: none"> <li>Some stakeholders expressed concern regarding the perceived selective enforcement of the FSC standards by auditors.</li> </ul>	Auditors are selected for their expertise and independence from the project being audited. SCS evaluates any potential conflicts-of-interest that auditors might have and excludes anyone who is directly related to the subject properties. SCS

	provides an independent evaluation of the audit team's report, which is also susceptible to further review from the FSC.
<ul style="list-style-type: none"> <li>Some stakeholders expressed the viewpoint that Indiana's forestlands were already well managed, wondering why certification was necessary.</li> </ul>	Many Indiana forests are undoubtedly well-managed; FSC certification, however, provides independent, third-party verification of this viewpoint and access to potential markets for FSC-certified products.
<ul style="list-style-type: none"> <li>Some stakeholders wondered if the FSC standards were appropriate for Indiana's small family forests.</li> </ul>	While evaluating conformance to all FSC Principles and Criteria is required, the team is also expected to scale requirements to the size of the parcel and the intensity of operations. Many family forest operations have already received FSC certification throughout North America.
<ul style="list-style-type: none"> <li>Some stakeholders wondered if District Foresters would have time for any additional responsibilities related to FSC certification.</li> </ul>	This is an important concern that was carefully considered by the audit team. Ultimately, however, it will be up to the Division of Forestry – should certification be awarded – to ensure that adequate resources are brought to bear on the Classified Forest Program. Failure to provide adequate resources could result in additional Corrective Action Requests (CARs) or revocation of the certificate during future annual audits.

### Economic Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>Private foresters and consultants should be used to conduct inspections.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration.
<ul style="list-style-type: none"> <li>The DNR is stretched thin and further funding is needed to support the program.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. As noted above, the Division of Forestry will have to apply adequate resources to maintain the certificate.
<ul style="list-style-type: none"> <li>Properties tend to be very small and it limits management options as well as what landowners are willing to do.</li> </ul>	This comment is noted and reference is made to the fact that auditors are required to scale expectations to the size and intensity of the operation. In addition,

	forest managers are expected to specifically address landowner goals and objectives.
<ul style="list-style-type: none"> <li>• Certification makes sense for public lands by providing public accountability, but it isn't appropriate for private lands and only adds costs.</li> </ul>	Certification has potential benefits to private lands as it can provide access to emerging markets for FSC-certified forest products.
<ul style="list-style-type: none"> <li>• Lands enrolled in Classified Forest Program are better managed and provide higher quality timber.</li> </ul>	This comment is noted.
<ul style="list-style-type: none"> <li>• Concern about taxpayers bearing the costs of certification.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration.
<ul style="list-style-type: none"> <li>• Concern about potential reductions in funding and a lot of great work could get done if the program had greater capacity and more cost-share funding was made available.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration.

#### Social Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>• Need education for the landowners about the benefits of forest management.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. That said, the audit team notes that the Division of Forestry's website contains a great deal of information regarding the benefits of forest management, as do sites associated with Purdue University. In addition, District Foresters are available to landowners seeking additional information.
<ul style="list-style-type: none"> <li>• Certification gives landowners more options and the opt-out approach addresses the need for flexibility.</li> </ul>	This comment is noted.
<ul style="list-style-type: none"> <li>• Not all of the landowners are aware of certification and the requirements.</li> </ul>	The Division of Forestry has prepared information that will be mailed to landowners in early 2009.
<ul style="list-style-type: none"> <li>• It is an excellent program that provides tax savings for landowners and helps with forest management.</li> </ul>	This comment is noted.
<ul style="list-style-type: none"> <li>• It is good that the program doesn't require public access and penalties</li> </ul>	This comment is noted.

should not be increased.	
<ul style="list-style-type: none"> <li>Landowners enrolled in the program are more aware of the incentives and services that are available to help them care for their property.</li> </ul>	This comment is noted.
<ul style="list-style-type: none"> <li>There need to be more good young foresters brought into the DNR to address turnover.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. In addition, the team considered the upcoming wave of retirements among District Foresters as part of its evaluation.
<ul style="list-style-type: none"> <li>Need to allow more freedom for property owners to include home sites in enrolled properties.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. Our understanding, though, is that this would require a change in the enabling legislation for the Program.
<ul style="list-style-type: none"> <li>The District Foresters and Wildlife Biologists are great to work with and very helpful.</li> </ul>	This comment is noted.

**Environmental Concerns**

<b>Comment/Concern</b>	<b>Response</b>
<ul style="list-style-type: none"> <li>Planting plans may need to consider more fall planting schedules since recent springs have been too dry too fast.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration.
<ul style="list-style-type: none"> <li>Need more group selection and larger gaps to support regeneration and avoid moving everything toward maple.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. The audit team also carefully considered the need for more attention to stand regeneration.
<ul style="list-style-type: none"> <li>Program doesn't include strong enough goals to ensure good forest management happens.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. This comment was also carefully evaluated by the audit team.
<ul style="list-style-type: none"> <li>The program needs to use highly skilled people with good technical expertise for the inspections.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. This comment was also carefully evaluated by the audit team.
<ul style="list-style-type: none"> <li>Program allows for forestry and non-forestry related activities including restoration and assistance from biologists and</li> </ul>	This comment is noted.

foresters.	
<ul style="list-style-type: none"> <li>The state has not demonstrated a strong commitment to identifying and protecting high conservation value forests on state ownerships and it will need to be addressed on all of the Classified Forest properties.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. A Major CAR has been issued to address deficiencies related to Principle 9, High Conservation Value Forests.
<ul style="list-style-type: none"> <li>Not all Classified Forests qualify for certification because they aren't being actively managed.</li> </ul>	FSC certification does not mandate a certain management schedule and very long harvest intervals may be appropriate, based on landowner objectives and stand conditions.
<ul style="list-style-type: none"> <li>Program requirements and penalties need to be strengthened to provide greater environmental protections.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. This comment was also carefully evaluated by the audit team.
<ul style="list-style-type: none"> <li>The Program is a good tool for keeping forests intact and on the landscape.</li> </ul>	This comment is noted.
<ul style="list-style-type: none"> <li>Need to increase efforts to address non-woody (herbaceous) invasive species.</li> </ul>	This comment is noted and will be passed on to the Division of Forestry for their consideration. This comment was also carefully evaluated by the audit team.

### Follow-Up Audit

A follow-up audit was conducted in November 2009, primarily to evaluate the status of outstanding Major CARs. Some Minor CARs that were related to one or more Major CARs were also evaluated. Otherwise, Minor CARs will be addressed at the next annual audit.

The itinerary for the follow-up audit in November 2009 included:

- Day 1 - Arrive in Indianapolis and meet in Central Office with DNR staff;
- Day 2 - Meetings with District Foresters and site visits to recently harvested properties; and
- Day 3 - Closing meeting.

### 3.4 Total Time Spent on audit

The audit of the Classified Forest Program FSC group certification effort, in addition to the Preliminary Evaluation in May 2008, included:

- Document review and email/phone correspondence with the Division of Forestry (approximately 3 person-days);
- Meetings with the Division of Forestry, a public meeting, and visits to 50 Classified Forest Program properties (approximately 15 person-days);

- Stakeholder consultation (approximately 2 person-days);
- Additional analyses and report preparation (approximately 5 person-days);
- Follow-up audit in November 2009 (3 person-days);
- Document review and report revision (5 person-days);
- Peer review (1 person-day); and
- Response to peer review comments and report revision (1 person-day).

The approximate time spent on the audit, therefore, totalled approximately 35 person-days.

### **3.5 Process of Determining Conformance**

FSC-accredited forest stewardship standards consist of a three-level hierarchy: Principle, then the Criteria that make up that Principle, then the Indicators that make up each Criterion. Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgment to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

#### ***Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations***

***Major CARs/Preconditions:*** Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

***Minor CARs:*** These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

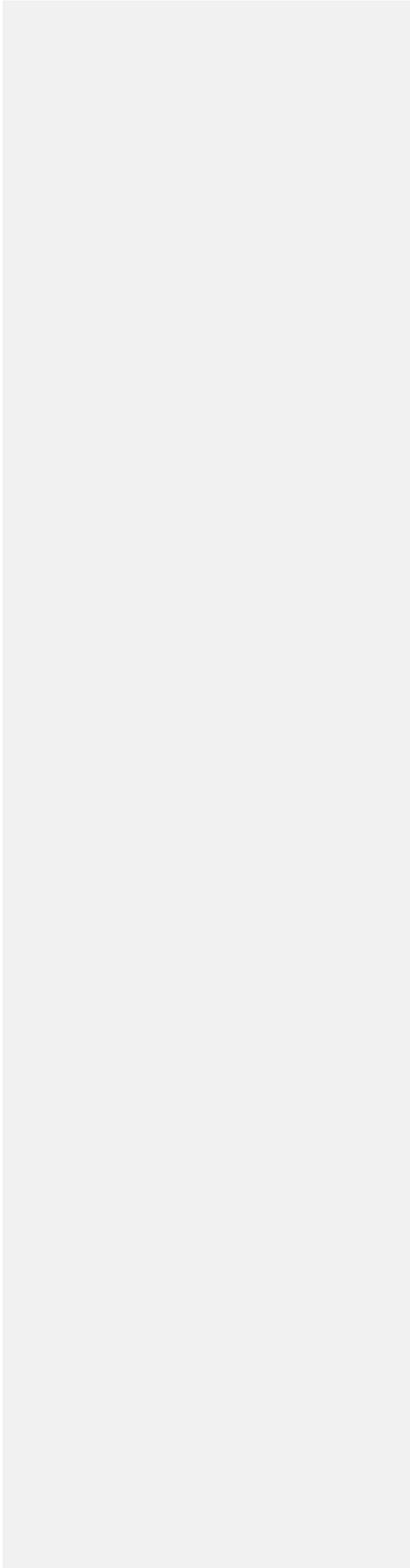
***Recommendations:*** These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be

changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

**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 (CAR) numbers related to each principle. For the sake of transparency, weaknesses observed during the initial evaluation - even if resolved - remain in the table. In these instances, however, efforts to address the weakness are also noted.

**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
<b>Management of the FSC Group</b>	<ul style="list-style-type: none"> <li>▪ The Division of Forestry has experience in addressing FSC certification requirements through the certification of its State Forests</li> <li>▪ The Division of Forestry has the management expertise and experience to successfully organize and run an FSC group certification system</li> <li>▪ The Classified Forest Program has an over 80-year track record</li> <li>▪ District Foresters are available throughout the state to assist landowners with management of their forests</li> <li>▪ District Wildlife Biologists are available to assist with forest wildlife management issues</li> <li>▪ The Division of Forestry's GIS contains accurate information concerning property locations and can be used to facilitate group management</li> <li>▪ In response to the initial evaluation, the Division of Forestry has disseminated information to group members, provided opportunities for members to opt out of the program, and held a series of public informational meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Each group entity's responsibilities with respect to management planning, monitoring, harvesting, etc. should be defined more clearly (C1.b); this must include clarification of the roles of the group managers, District Foresters, private foresters, loggers, chemical applicators, and landowners; (Note: The Division of Forestry has made progress toward addressing this weakness, primarily by preparing documentation that clarifies roles and responsibilities at all levels)</li> <li>▪ The group must establish clear rules and expectations for group membership (C2.a); (Note: The Division of Forestry defined rules and expectations for group membership and mailed this information to landowners in a newsletter; the Division also held a series of informational meetings throughout the state)</li> <li>▪ Procedures for adding new members to the group in the future should be defined (C2.c); (Note: The Division</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.19 (CLOSED)</b></li> <li>▪ <del>Minor CAR 2009.11</del> <a href="#">Minor CAR 2009.13</a></li> <li>▪ <del>Minor CAR 2009.12</del> <a href="#">Minor CAR 2009.14</a></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
	<ul style="list-style-type: none"> <li>▪ In response to the initial evaluation, the Division of Forestry has developed strategies for increasing interactions with landowners and harvesting contractors, including a pre-harvest conference, at least one visit during harvest operations, and a post-harvest inspection</li> </ul>	<p>developed specific protocols for adding new members in the future; as part of this the Division also clarified procedures for removing members from the group, as warranted)</p> <ul style="list-style-type: none"> <li>▪ The Division of Forestry must provide each potential group member with documentation, or access to documentation, specifying the relevant terms and conditions of group membership (drafted but not sent yet) (C3.a); (Note: These materials were finalized after the initial audit and mailed to landowners)</li> <li>▪ The Division of Forestry must prepare a list of actual group members after implementation of the opt-out process (C4.a.i); (Note: The Division of Forestry removed members who decided to opt out of the program and maintains a list of currently-enrolled properties)</li> <li>▪ The Division of Forestry must develop and maintain documentation</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		and records regarding forest management activities on group member properties (C4.a.v); (Note: The Division of Forestry developed new forms and protocols for supplemental monitoring of activities on group member properties and is in the process of implementing these updated measures)	
<b>P1: FSC Commitment and Legal Compliance</b>	<ul style="list-style-type: none"> <li>▪ The Division of Forestry has demonstrated its commitment to the FSC Principles and Criteria through its certification of its State Forests</li> <li>▪ Division of Forestry staff have expertise in understanding and complying with complex regulatory requirements</li> <li>▪ There is a long-term history of District Foresters working with landowners on management plan development and implementation that could be adapted to meet FSC certification requirements</li> </ul>	<ul style="list-style-type: none"> <li>▪ A significant number of management plans appear to be out-of-date with regards to the requirement for updates every 10 years (P&amp;C 1.1.a); (Note: The Division of Forestry quantified the number of management plans that are either inadequate, incomplete, or missing and developed protocols for ensuring that plans are current prior to harvest operations;</li> <li>▪ Evidence of management plans not being followed by the landowner (P&amp;C 1.1.a)</li> <li>▪ The Division of Forestry must clarify what public processes, if any, apply to formation and management of an</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.1 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.2 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.3 (CLOSED)</b></li> <li>▪ <b>Minor CAR 2009.1</b></li> <li>▪ <b>Minor CAR 2009.2</b></li> <li>▪ <b>Minor CAR 2009.4</b></li> <li>▪ <b>REC 2009.1</b></li> <li>▪ <b>REC 2009.2</b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>FSC group centered around the Classified Forest Program (P&amp;C 1.1.c)</p> <ul style="list-style-type: none"> <li>▪ The Division of Forestry has not evaluated how international agreements, such as CITES, ILO Conventions, and the Convention on Biological Diversity, apply to Classified Forest Program properties; particular attention must be given to the ILO Code of Practice on Safety and Health in Forestry Work, which may apply to on-the-ground logging operations (P&amp;C 1.3.a); (Note: The Division of Forestry compiled a list of relevant international agreements and evaluated how they applied to management on group member properties)</li> <li>▪ A landowner agreeing to remain in the pool of certified lands does not ensure that land managers, including consulting foresters, industry foresters, and loggers, will be aware of, or agree to comply with, the FSC Principles and Criteria (P&amp;C 1.6); (Note: The Division of Forestry has</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		developed protocols for ensuring that resource professionals and logging contractors agree to adhere to the FSC Principles and Criteria when working on group member properties)	
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>▪ Landowners have clear title to the lands that are enrolled in the Classified Forest Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management plans could contain more specific information related to other use rights that might occur on enrolled parcels (e.g., more specific descriptions of easements, if any)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>REC 2009.3</b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
<b>P3: Indigenous Peoples' Rights</b>	<ul style="list-style-type: none"> <li>▪ The DNR has in-house expertise in the identification of sites likely to contain historic or archaeological resources</li> <li>▪ The Classified Forest Program database contains information on landowners that can be used to identify properties owned by Tribal enterprises</li> <li>▪ Some management plans make reference to certain sites of cultural significance and many District Foresters express an appreciation for conserving such features</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some lands in the Classified Forest Program may be owned by Tribal enterprises, in which case elements of Principle 3 might apply to these lands; the Division of Forestry shall make efforts to identify such parcels and then take steps to ensure compliance with relevant portions of Principle 3; (Note: The Division of Forestry has determined that there are only a few parcels that are owned by Tribal enterprises that are enrolled in the FSC group)</li> <li>▪ Sites of special cultural, ecological, economic, or religious significance have not been identified on all properties (P&amp;C 3.3); (Note: Through examination of existing databases and consultation with appropriate DNR staff, the Division of Forestry has developed protocols for identifying sites of special cultural, ecological, economic, or religious significance on group member properties)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.4 (CLOSED)</b></li> <li>▪ <b>REC 2009.4</b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
<b>P4: Community Relations &amp; Workers' Rights</b>	<ul style="list-style-type: none"> <li>▪ The District Forester network ensures that the Division of Forestry has close ties to regional communities</li> <li>▪ The Division of Forestry is actively engaged in organizations in Indiana that support professional logging contractors and foresters</li> <li>▪ The DNR has in-house expertise in the identification of sites likely to contain historic or archaeological resources (see also Principle 3)</li> <li>▪ The State of Indiana has resources related to State and Federal labor laws that is provided to private companies involved in the forest products industry</li> <li>▪ The Division of Forestry has the capabilities of supporting state-wide training programs related to forest worker safety</li> <li>▪ District Foresters have received training on archaeological sites and will be receiving additional training in the near future</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is no system for ensuring that contractors and their employees are covered and protected by all State and Federal labor laws regarding discrimination, wages, benefits, and other conditions of employment (P&amp;C 4.1.f);</li> <li>▪ The Division of Forestry has model contracts available, but there is no requirement that they be used on potential group member properties</li> <li>▪ There is no system for ensuring that forest owners and managers develop or implement safety programs and procedures (P&amp;C 4.2.a); (Note: The Division of Forestry will reinforce the need to follow safety regulations during pre-harvest conferences);</li> <li>▪ Input is not sought regarding identifying sites of archaeological, cultural, historical, or community importance (P&amp;C 4.4.b); (Note: The Division of Forestry has consulted with DNR archaeologists concerning sites of archaeological, cultural, historic, or community importance)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.5 (CLOSED)</b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
<b>P5: Benefits from the Forest</b>	<ul style="list-style-type: none"> <li>▪ The Division of Forestry collects data from a network of FIA plots on a regular basis and these data indicate that state-wide growth rates exceed current harvest removal rates</li> <li>▪ The Division of Forestry's interest in FSC certification is based in its long-term support of Indiana's forest products industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ It appears that many landowners do not routinely reinvest in forest management (P&amp;C 5.1.c)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Minor CAR 2009.4</b></li> </ul>
<b>P6: Environmental Impact</b>	<ul style="list-style-type: none"> <li>▪ The DNR and the Division of Forestry have the in-house staff necessary to address the ecological impact assessment requirements of Principle 6</li> <li>▪ District Foresters have many years of experience in forestry and have the expertise to assess environmental impacts associated with forest management operations and to develop appropriate mitigation strategies</li> <li>▪ There is a network of trained private industry and consulting foresters who regularly work on Classified Forest Program properties</li> <li>▪ Indiana's logging community appears to be vested in ensuring environmentally</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most management plans provide only cursory information regarding current forest conditions and the Division of Forestry has only recently begun integrating information concerning rare plants, animals, and natural communities (i.e., the data from Nature Preserves) into the management planning process (P&amp;C 6.1.a); (Note: The Division of Forestry has developed enhanced protocols for addressing current forest conditions and rare species in management plans)</li> <li>▪ The Division of Forestry has no control over harvest operations and there is no integrated system for</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.6 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.7 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.8 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.9 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.10 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.11</b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
	<p>appropriate logging practices</p> <ul style="list-style-type: none"> <li>▪ There is a network of private companies that offer chemical application services that could be engaged to ensure that practices on Classified Forest Program lands comply with FSC Principles and Criteria</li> <li>▪ Many District Foresters are knowledgeable concerning chemical applications in forest management settings</li> <li>▪ The DNR's Nature Preserves Program has done a comprehensive inventory of rare plants and natural communities and the Division of Wildlife has data on rare fish and wildlife species</li> <li>▪ Many unique natural communities in the State have been conserved as public Nature Preserves and such areas likely meet the definition of Representative Sample Areas (see P&amp;C 6.4) and/or High Conservation Value Forest (see Principle 9)</li> <li>▪ District Foresters have recently received training in how to access the Nature Preserve database, which contains all records for rare plants, animals, and natural communities</li> </ul>	<p>ensuring that potential environmental impacts associated with management activities are being assessed or mitigated (P&amp;C 6.1.c); (Note: The Division of Forestry has implemented procedures for site visits before, during, and after harvest operations and methods for evaluating potential environmental impacts associated with management activities are being enhanced)</p> <ul style="list-style-type: none"> <li>▪ The Division of Forestry has access to the Nature Preserves database, but this information is not uniformly shared with landowners and protection measures for these occurrences have yet to be implemented on Classified Forest properties (P&amp;C 6.2.b and 6.2.d); (Note: Working with the Nature Preserves Program, the Division of Forestry has developed enhanced procedures for utilizing existing databases in management plan development and implementation)</li> <li>▪ While it may be unlikely that Representative Sample Areas (RSAs)</li> </ul>	<p>(CLOSED)</p> <ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.12 (CLOSED)</b></li> <li>▪ <b>Minor CAR 2009.5 (CLOSED)</b></li> <li>▪ <b>Minor CAR 2009.6 (CLOSED)</b></li> <li>▪ <b>Minor CAR 2009.7</b></li> <li>▪ <u>Minor CAR 2009.8</u></li> <li>▪ <u>Minor CAR 2009.8</u><u>Minor CAR 2009.9</u></li> </ul>

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Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
	<ul style="list-style-type: none"> <li>▪ The Wildlands Program specifically protects certain habitats with important habitat functions</li> </ul>	<p>will be found on small Classified Forest Program properties, the Division of Forestry has not conducted an analysis documenting existing RSAs on public lands (e.g., Nature Preserves); in addition, the Division of Forestry has not screened the Nature Preserves database for possible RSA occurrences – however unlikely – on Classified Forest Program lands (P&amp;C 6.4); (Note: The Division of Forestry has documented RSAs on existing Nature Preserves and has used existing information to identify potential RSAs on group member properties)</p> <ul style="list-style-type: none"> <li>▪ The process and rationale for identifying RSAs has not been described in the public summary of the management plan (P&amp;C 6.4.f)</li> <li>▪ There is no system for ensuring that BMPs are being consistently employed during logging operations (P&amp;C 6.5.b) (i.e., the 5-year re-inspection may be several years after a harvest has taken place); (Note:</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>The Division of Forestry will address BMPs during the pre-harvest conference, site visits during harvests, and post-harvest inspections; there will also be a post-harvest BMP inspection on 10 percent of harvest blocks every year)</p> <ul style="list-style-type: none"> <li>▪ The Division of Forestry cannot confirm which chemicals are being applied on individual Classified Forest Program lands and there is no assurance that chemicals banned by the FSC are not being used (P&amp;C 6.6); (Note: The Division of Forestry has gathered information concerning chemical use and has notified group members about chemicals that are banned by the FSC; The Division has also developed enhanced procedures for chemical use monitoring and requires that landowners report all chemical uses)</li> <li>▪ There is no system for ensuring that logging contractors deal appropriately with oil spills, waste lubricants, broken equipment, trash, etc. (i.e., the Division of Forestry has</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>no control over harvest operations; there is no requirement for logger training; there is no requirement that loggers have spill kits on site) (P&amp;C 6.7); (Note: The Division of Forestry has notified landowners and will work with logging contractors to ensure that all parties understand the requirements of P&amp;C 6.7; appropriate attention to spills and waste products will also be reinforced during the pre-harvest conference attended by District Foresters and logging contractors)</p> <ul style="list-style-type: none"> <li>▪ There is no system for ensuring that exotic species are not being used by landowners for planting, erosion control, or wildlife food plots (P&amp;C 6.9); (Note: The Division of Forestry has developed informational materials for landowners regarding the use of exotics and is working with the State Botanist to identify non-invasive exotics that are appropriate for limited use; the Division is also investigating alternatives to exotic species)</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<ul style="list-style-type: none"> <li>▪ Management plans may include recommendations that landowners control invasive exotic species, but there is little follow-up to ensure that recommendations are being implemented (P&amp;C 6.9.d)</li> </ul>	
<b>P7: Management Plan</b>	<ul style="list-style-type: none"> <li>▪ There is a long-term history of public/private partnership regarding management plan development on Classified Forest Program properties</li> <li>▪ Many landowners and other stakeholders express appreciation for the assistance provided to landowners by District Foresters and District Wildlife Biologists</li> <li>▪ The DNR and the Division of Forestry have extensive experience in preparing and implementing complex management planning documents</li> <li>▪ The Division of Forestry has experience in preparing management plans that meet the requirements of Principle 7 from the certification of Indiana's State Forests</li> <li>▪ Draft revisions to the management plan template for Classified Forest Program properties address many requirements of</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existing management plans do not fully meet the requirements of Principle 7, although we note that the proposed draft outline for future plans is more in line with FSC standards (P&amp;C 7.1)</li> <li>▪ Most current management plans fail to describe the desired future condition of the forest (P&amp;C 7.1.a.2)</li> <li>▪ Management plans typically don't include special management areas such as sites with rare plant, animal, or natural community occurrences (P&amp;C 7.1.b.2); (Note: Updated management plans are developed using a new template that fully addresses special management areas)</li> <li>▪ Most management plans do not refer to sites of cultural or socioeconomic importance or to a process that</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.13 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.14 (CLOSED)</b></li> <li>▪ <del>Minor CAR 2009.9</del> <a href="#"><u>Minor CAR 2009.10</u></a></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
	<p>Principle 7</p> <ul style="list-style-type: none"> <li>▪ The Division of Forestry has developed an Umbrella Management Plan that covers elements of the management plan that are appropriate at the group level</li> <li>▪ The Division of Forestry has a long history of actively supporting training for landowners, logging contractors, and consulting/industry foresters</li> </ul>	<p>ensures that they are not present (P&amp;C 7.1.b.5); (Note: Updated management plans are developed using a new template that fully addresses sites of cultural or socioeconomic importance)</p> <ul style="list-style-type: none"> <li>▪ Management plans do not include a description of silvicultural systems or harvest prescriptions (P&amp;C 7.1.c); (Note: The new Umbrella Management Plan contains a description of silvicultural prescriptions and updated management plans will contain more specific information on harvest prescriptions; specific harvest plans will be discussed during each pre-harvest conference between the District Forester and the logging contractor or consulting/industry forester)</li> <li>▪ Management plans do not uniformly contain processes for the identification and protection of rare, threatened, or endangered species (P&amp;C 7.1.g); (Note: The Division of Forestry has procedures for</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>addressing the conservation of rare, threatened, and endangered species on group member properties)</p> <ul style="list-style-type: none"> <li>▪ Sites of potential importance (e.g., areas with a high likelihood for archaeological artifacts; known rare plant or animal occurrences) were not uniformly included on management plan maps (P&amp;C 7.1.h.1); (Note: the Division of Forestry has developed procedures for addressing archaeological resources and rare species)</li> <li>▪ Most landowners do not prepare separate harvest plans so there is often no description and justification for harvesting techniques and equipment to be used (P&amp;C 7.1.i); (Note: Most operations in Indiana rely on chainsaws and skidders, although some mechanical equipment is used, and the new Umbrella Management Plan now includes information on harvesting techniques and equipment; in addition, harvesting techniques and equipment will now be addressed in</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>a pre-harvest conference attended by the District Forester and the landowner and/or their representative)</p> <ul style="list-style-type: none"> <li>▪ There is no system for ensuring that forest workers receive adequate training and supervision to ensure proper implementation of the management plan (P&amp;C 7.3); we note that in Indiana foresters do not need to be licensed and there is no requirement for logger training; (Note: The Division of Forestry is identifying the training needs for all types of workers and is developing appropriate training materials and protocols)</li> <li>▪ There is no way of ensuring that the management plan is being implemented by qualified workers during management operations (P&amp;C 7.3.a); (Note: District Foresters will now meet with logging contractors and consulting/professional foresters as part of a pre-harvest conference for all operations)</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<ul style="list-style-type: none"> <li>▪ There is no public summary of the management plan, which we assume would occur at the group level (P&amp;C 7.4); (Note: The Division of Forestry has prepared a publicly-available Umbrella Management Plan for the group; this, and other annual reports, provides the information required by P&amp;C 7.4)</li> </ul>	
<b>P8: Monitoring &amp; Assessment</b>	<ul style="list-style-type: none"> <li>▪ The Division of Forestry collects data from a network of FIA plots on a regular basis and these data indicate that state-wide growth rates exceed current harvest removal rates</li> <li>▪ Division of Forestry staff visit Classified Forest Program properties a minimum of once every 5 years</li> <li>▪ The District Forester visits each Classified Forest Program property at least once every 10 years in association with the preparation or approval of management plan updates</li> <li>▪ Enrolled landowners submit annual activity reports to the Division of Forestry</li> <li>▪ Enrolled landowners are required to annually report timber harvests</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management plans rarely specify any type of monitoring program (P&amp;C 8.1.a); we note that informal assessments are appropriate at the parcel level, whereas more formal assessments may be appropriate for the group as a whole (Note: The Division of Forestry has clarified and updated its monitoring program at the group level and has developed additional forms related to monitoring that will be completed by the landowner or by the District Forester during site visits to logging operations)</li> <li>▪ There is no requirement that landowners record the volume of</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.15 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.16 (CLOSED)</b></li> <li>▪ <b>Major CAR 2008.17 (CLOSED)</b></li> <li>▪ <b><u>Minor CAR 2009.10</u> <u>Minor CAR 2009.12</u></b></li> </ul>

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		<p>logs that are harvested (P&amp;C 8.2.a), which would also be a concern for tracking chain-of-custody (P&amp;C 8.3) (Note: The Division of Forestry has developed protocols for ensuring proper chain-of-custody tracking for logs and chips)</p> <ul style="list-style-type: none"> <li>▪ Other than the periodic inspections at 5-year intervals, there is limited monitoring of the impacts of harvesting and other operations (P&amp;C 8.2.d) given that District Foresters have no involvement in harvest operations; (Note: The Division of Forestry has developed new protocols that require a visit by the District Forester for pre-harvest conferences, at least one site visit during the harvest, and a post-harvest inspection; in addition, 10 percent of harvests will receive a BMP audit following the completion of harvesting operations)</li> <li>▪ There is no public summary of the results of monitoring efforts, which we assume would be at the group level (P&amp;C 8.5) (Note: The Division</li> </ul>	

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
		of Forestry has prepared a series of publicly-available documents that meet the requirements of P&C 8.5)	
<b>P9: Maintenance of High Conservation Value Forest</b>	<ul style="list-style-type: none"> <li>▪ Nature Preserve data and other sources of information within the DNR are available to be used to screen Classified Forest Programs properties for features meeting the definition of High Conservation Value Forest</li> <li>▪ The Division of Forestry has experience implementing efforts to obtain public input regarding resources such as High Conservation Value Forest</li> <li>▪ The Division of Forestry has experience with High Conservation Value Forest concepts from the certification of Indiana's State Forests</li> </ul>	<ul style="list-style-type: none"> <li>▪ There has been no system-wide assessment for the presence of High Conservation Value Forests on Classified Forest properties (Principle 9 as a whole); (Note: The Division of Forestry has worked with the Nature Preserve Program to screen group member properties for HCVF; additional protocols have also been developed with regards conserving, monitoring, and reporting on HCVF)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Major CAR 2008.18 (CLOSED)</b></li> </ul>

#### 4.2 Pre-conditions

Pre-conditions 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 pre-conditions exist.

The following pre-conditions were placed on the Division of Forestry during their initial evaluation. They must all be closed to the satisfaction of the audit team prior to the award of certification.

<b>Background/Justification:</b> FSC Criterion 1.1 requires that forest management shall respect all national and local laws and administrative requirements. Important components of Indiana's Classified Forest Program include the requirement that management plans be updated every 10 years and that landowners agree to follow the plan. Evidence gathered during site visits, however, indicated that a number of plans were not up-to-date and that some landowners were not implementing the recommendations and management prescriptions found in the plans.	
<b>MAJOR CAR 2008.1</b>	Prior to certification, the Division of Forestry must: 1) provide an estimate documenting how many Classified Forest Program management plans are out-of-date in each District; 2) provide a timetable and methodology for bringing out-of-date plans into compliance within a reasonable amount of time, and 3) provide a timetable and methodology for ensuring that management plans are being followed during forest operations.
<b>Reference</b>	FSC Criterion 1.1
<b>DOF Response</b>	Item 1) The Division of Forestry selected a random sample of management plans (5% of total) and evaluated the adequacy of the plan relative to program requirements. This sample indicated that 10% or more of the plans were either inadequate or missing. Further analysis indicated that many of the missing plans had not been completed due to unusual circumstances. Item 2) The Division of Forestry developed a methodology for ensuring that all parcels will have a management plan within 1 year of FSC certification. The methodology also included protocols for ensuring that inadequate plans are revised prior to implementing major management activities such as timber harvesting. Item 3) The Division of Forestry has developed new protocols for meeting with landowners prior to conducting timber harvests to ensure that the management plan is being followed. The District Forester will also visit the property at least once during the active harvest. The new protocols also include provisions for working with the District Forester to update the management plan when new practices that aren't covered in the plan are proposed. Successful implementation of these new protocols was observed during the follow-up audit in November 2009.

<b>Auditor's Comments</b>	The 5% sample and subsequent analysis adequately addressed this portion of the Major CAR. The response to Item 2 adequately addressed this portion of the Major CAR. A new Minor CAR (Minor CAR 2009.15), however, has been written to ensure follow through on addressing missing plans. The response to Item 3 adequately addresses this portion of the Major CAR. A new Minor CAR (Minor CAR 2009.15), however, has been written to ensure full implementation of the new protocols in the first year following certification.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 1.3 requires that in signatory countries, the provisions of all binding international agreements, such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected. The FSC and other sources provide guidance related to which agreements are relevant to FSC-certified lands. With Classified Forest Program lands, particular attention should be paid to the ILO Code of Practice on Safety and Health in Forestry Work.	
<b>MAJOR CAR 2008.2</b>	Prior to certification, the Division of Forestry must: 1) obtain a list of international agreements that are relevant to FSC-certified lands; 2) evaluate which agreements are relevant to certification of Classified Forest Program properties; 3) evaluate whether management operations on Classified Forest Program properties are in compliance with relevant agreements; 4) develop a plan for bringing management operations into compliance should gaps be identified, and 5) report the results of these analyses.
<b>Reference</b>	FSC Criterion 1.3
<b>DOF Response</b>	Item 1) The Division of Forestry compiled a list of binding international agreements that are relevant to forest management on group member properties. Item 2) The Division of Forestry evaluated how each agreement was relevant to forest management on group member properties. Item 3) The Division of Forestry evaluated compliance with relevant international agreements and concluded that all normal management activities were very likely to be in compliance. Item 4) The Division of Forestry concluded that additional plans for ensuring compliance with relevant international agreements was not warranted. Item 5) The Division of Forestry provided a written report documenting efforts to comply with Items 1-4 during the November 2009 follow-up audit.
<b>Auditor's Comments</b>	Items 1) and 2) The Division of Forestry's list of relevant binding international agreements was acceptable, although it focused primarily on major agreements, such as the International Tropical Timber Agreement, CITES, and the ILO Code of Practices for

	<p>Safety and Health in Forestry Work. Additional agreements, including those ILO Conventions listed in FSC-POL-30-401, were discussed during the November 2009 follow-up audit. We concur with the Division of Forestry's conclusion that many international agreements are not relevant at the scale of management found on group member properties. We note that American ginseng (<i>Panax quinquefolius</i>) is a plant whose export is regulated under CITES. Ginseng is likely to occur on group member properties and harvest is addressed by Indiana regulations. Protection programs are also administered by the DNR's own Division of Nature Preserves.</p> <p>Item 3) We concur that compliance with international agreements is generally ensured by compliance with existing State and Federal regulations. The Division of Forestry specifically addresses regulatory compliance as part of its FSC group management system.</p> <p>Item 4) We concur that additional plans for ensuring compliance are not warranted at this time.</p> <p>Item 5) The written report provided by the Division of Forestry was acceptable.</p>
<b>Status</b>	CLOSED

<p><b>Background/Justification:</b> FSC Criterion 1.6 requires that forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria. Landowners have yet to be invited to join the Classified Forest Program group, so they have not made an informed consent to remain in the program. In making this commitment, landowners must agree to ensure that those working on their forests – including foresters, logging contractors, road crews, and pesticide applicators – agree to abide by any requirements imposed by group membership and adherence to the FSC Principles and Criteria.</p>	
<b>MAJOR CAR 2008.3</b>	<p>Prior to certification, the Division of Forestry must: 1) complete the documents describing the group certification system, which is proposed as an opt-out program, and send them to potential group members; 2) document that landowners have made an informed consent to remain in the group by not opting out; 3) prepare a final list of landowners who have agreed to remain in the group; and 4) report on any comments or concerns expressed by landowners (those remaining in the group and those opting out) and explain how those concerns were addressed.</p>
<b>Reference</b>	FSC Criterion 1.6
<b>DOF Response</b>	<p>Item 1) In March 2009 the Division of Forestry sent each landowner in the Classified Forest &amp; Wildlands Program a newsletter that described the FSC group certification system. The newsletter also contained a Green Certification Departure Request form, which was to be used by landowners seeking to opt out of the FSC group. In addition to the newsletter, five public information meetings were held throughout Indiana to explain the FSC group management</p>

	<p>system.</p> <p>Items 2) and 3) The Division of Forestry has received a small number of requests to opt out of the FSC group system and maintains a database of currently enrolled group members.</p> <p>Item 4) Comments and concerns were received from landowners during the public meetings and in writing from landowners choosing to opt out of the program. The Division of Forestry prepared a report summarizing the major comments that included a description of how each comment was addressed.</p>
<b>Auditor's Comments</b>	<p>Item 1) The newsletter adequately explained the FSC group management system and landowners were provided with clear instructions for opting out of the program. The public meetings were a proactive step toward educating interested landowners about the important elements of the FSC group management system.</p> <p>Items 2) and 3) Opt out forms and the current member database were inspected during the November 2009 audit and found to be acceptable.</p> <p>Item 4) The majority of comments came during the public meetings and answers were provided at the time the question was presented. Some written comments were also followed up with phone calls to the landowner. General themes in the questions, such as the sale of FSC-certified logs, are being addressed through newsletter items and additional training. Overall, there were no major issues that would suggest that changes in the group management program were warranted.</p>
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 3.3 requires that sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers. The DNR has internal expertise related to identifying known and potential sites of archaeological significance and it is our understanding that the Division of Forestry will ensure that this expertise is put to use on Classified Forest Program properties. The Division, to our knowledge, however, has not sought out Native American representatives who may have knowledge concerning sites of special cultural significance in the region.	
<b>MAJOR CAR 2008.4</b>	Prior to certification, the Division of Forestry must: 1) consult with DNR repositories and archaeologists to determine if any archaeological sites are known to occur on Classified Forest Program properties; 2) determine what management steps are necessary, if any, should any such resources be identified and develop a plan for their implementation; 3) determine if there are any Native American representatives (Tribes, bands, or individuals) with information concerning sites of cultural significance in Indiana that occur on Classified Forest Program properties; and 4) determine what

	management steps are necessary, if any, should any such resources be identified and develop a plan for their implementation.
<b>Reference</b>	FSC Criterion 3.3
<b>DOF Response</b>	<p>Item 1) The Division of Forestry provided the Division of Historic Preservation and Archaeology (DHPA) with a GIS shape file of group member parcels and the DHPA determined that 287 properties were known, or likely, to contain archaeological sites.</p> <p>Item 2) The Division of Forestry worked with the DHPA to develop protocols for conserving archaeological resources during forest operations. These protocols are now included in the Division of Forestry's Umbrella Management Plan for the FSC group.</p> <p>Item 3) The Division of Forestry sent consultation letters to 16 tribal representatives in March 2009 seeking information on known sites of cultural significance.</p> <p>Item 4) The consultation described in Item 3 did not yield any new sites of cultural significance as of November 2009.</p>
<b>Auditor's Comments</b>	<p>Item 1) The Division of Forestry consulted with DHPA experts regarding known archaeological sites and developed a list of properties with known or potential resources.</p> <p>Item 2) The management steps developed in consultation with DHPA, and described in the Umbrella Management Plan, are comprehensive and their implementation is expected to adequately protect archaeological resources on group member properties.</p> <p>Item 3) The list of Native American tribes and groups was comprehensive and the consultation letter clearly described the information that the Division of Forestry sought regarding culturally important sites. No responses have been received, but the Division of Forestry will follow-up on any consultation letters that are received in the future.</p> <p>Item 4) The Division of Forestry will initiate follow-up consultation with Native American representatives should sites of cultural significance be identified in the future.</p>
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 4.2 requires that forest managers meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families. FSC Indicator 4.2.a requires that forest managers and owners work with logging contractors and other forest workers to develop and implement safety programs for all work on certified properties. The Division of Forestry, however, has had no direct involvement in harvest operations or other on-site management activities.	
<b>MAJOR CAR 2008.5</b>	Prior to certification, the Division of Forestry must: 1) develop a system for ensuring that worker safety programs are developed and implemented for all on-site management activities on certified properties; and 2) provide evidence that the system is being applied to current on-site management activities on group member

	properties.
<b>Reference</b>	FSC Criterion 4.2
<b>DOF Response</b>	The Division of Forestry developed clearer protocols for ensuring that appropriate worker safety programs are available and implemented as part of FSC group management. A gap analysis was conducted and, as warranted, additional protocols were developed. In general, the Division's training system relies on: 1) preparing and disseminating print and web-based safety information for group members and resource professionals; 2) providing or supporting training sessions for group members and resource professionals; 3) conducting in-house training sessions; and 4) requiring that group members adhere to safety standards. The Division of Forestry developed new protocols for the observation of safety practices during harvest operations on group member properties.
<b>Auditor's Comments</b>	The Division of Forestry has always strongly supported safety programs and, as a component of its FSC group management, has now placed a greater emphasis on worker safety during forest operations. District Foresters, for example, will review the need for safety during pre-harvest conferences with logging contractors and will record failure to observe safe harvest practices on a Timber Visitation and Evaluation Form. The contractor, however, remains ultimately responsible for their own safe work practices. The Division of Forestry provided evidence of adherence to safety protocols during the November 2009 follow-up audit (e.g., completed Timber Visitation and Evaluation Forms).
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 6.1 requires that assessments of environmental impacts shall be completed – appropriate to the scale, intensity of forest management, and uniqueness of affected resources – and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations. The Division of Forestry, however, has no control over harvest operations and Classified Forest Program regulations do not require a pre-harvest environmental impact assessment. The Division of Forestry, as group managers, will need to ensure that such assessments, appropriate to the scale and intensity of operations, are completed prior to harvest operations.	
<b>MAJOR CAR 2008.6</b>	Prior to certification, the Division of Forestry must: 1) determine what types of pre-harvest environmental assessments are appropriate to the scale, intensity of forest management, and uniqueness of affected resources found on Classified Forest Program properties; 2) develop a methodology for the timely completion of such assessments; and 3) document that such assessments are taking place prior to harvests conducted on group member properties.
<b>Reference</b>	FSC Criterion 6.1

<b>DOF Response</b>	<p>Item 1) The Division of Forestry compiled recent harvest information and noted that almost all harvests are light single-tree and small group harvests (i.e., generally low impact logging). Given this, the Division determined that the environmental assessments appropriate to group member properties should focus on identifying sensitive resources, such as wetlands, streams, steep slopes, rare plant or animal locations, and archaeological sites.</p> <p>Item 2) The Division of Forestry clarified its protocols for mapping sensitive resource areas as management plans are prepared or updated. The Division also developed systems for ensuring that current management plans are in place prior to harvest operations (see Major CAR 2008.1). In addition, District Foresters will meet with contractors prior to the harvest to assess the potential impact of logging operations on the environment. As appropriate, plans will be modified to ensure the protection of sensitive environmental resources.</p> <p>Item 3) The Division of Forestry submitted management plans and pre-harvest meeting documentation for recent harvest operations during the November 2009 follow-up audit.</p>
<b>Auditor's Comments</b>	<p>The Division of Forestry has proactively addressed the need for pre-harvest environmental assessments by requiring pre-harvest conferences with District Foresters for all operations. The protocols are comprehensive and adequate for the low-impact harvests that occur on most group member properties. The site visits during the November 2009 follow-up audits, which included interviews with District Foresters, demonstrated that that the necessary assessments were being undertaken.</p>
<b>Status</b>	CLOSED

**Background/Justification:** FSC Criterion 6.2 requires that safeguards shall exist which protect rare, threatened, and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping, and collecting shall be controlled. The Division of Forestry has been actively collaborating with the DNR's Nature Preserves Program and has access to the Natural Heritage electronic database that records known examples of rare plants, natural communities, and animals. District Foresters have received training in the use of this database and, while very appreciative of the training, many report the need for additional training in using the GIS and the related database.

Indiana's Natural Heritage database is founded on systematic inventories by professional ecologists. According to Nature Preserves staff, the data are based on relatively comprehensive, state-wide inventories. This information, for the most part, can be used to satisfy the requirements of P&C 6.2. Further evidence that it is effectively being

applied to Classified Forest Program properties, however, is warranted.	
<b>MAJOR CAR 2008.7</b>	Prior to certification, the Division of Forestry must: 1) determine if, based on training received to date, all District Foresters can effectively use the Natural Heritage database; 2) develop additional training programs if it is found that they are warranted; 3) develop a system for ensuring that harvest operations are not occurring in areas that would negatively influence rare, threatened, or endangered species or natural communities and their habitats; and 4) demonstrate that this system is being effectively applied on group member properties.
<b>Reference</b>	FSC Criterion 6.2
<b>DOF Response</b>	Item 1) The Division of Forestry consulted with District Foresters regarding the effectiveness of training that has been conducted to-date regarding use of the Natural Heritage database. From this consultation minor additional training needs were identified. Item 2) The Division of Forestry developed supplemental written guidance for using the database and distributed it to District Foresters. The Division also developed programs for one-on-one training, as needed, by the Classified Forest & Wildlands program manager and/or by Division of Nature Preserves staff. Item 3) The Division of Forestry developed more specific protocols for addressing rare species in management plans and a system was developed for ensuring that rare species conservation needs are addressed during pre-harvest conferences. Item 4) Updated protocols were applied on group member properties with harvest operations in fall 2009.
<b>Auditor's Comments</b>	Based on interviews with District Foresters, and inspection of documentation related to recent harvests during the November 2009 follow-up audit, we conclude that all aspects of the Major CAR have been adequately addressed.
<b>Status</b>	CLOSED

**Background/Justification:** FSC Criterion 6.4 requires that representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources. Criterion 6.4 is also a “fatal flaw” in the Lake States-Central Hardwoods FSC Regional Standards, meaning failure to conform to the relevant indicators precludes issuance of an FSC certificate. The team recognizes that small, privately owned forests aren’t expected to bear the weight of maintaining representative sample areas (RSAs), as defined by the Regional Standards. Public lands and large, private holdings, instead, are expected to reserve such areas.

Based on interviews with the Nature Preserve staff, the team concludes that analyses that they have conducted – resulting in the establishment of a network of publicly-owned or managed Nature Preserves or other protected conservation lands – likely addresses the

	needs for RSAs throughout the state. In addition, the Natural Heritage database likely identifies remaining areas – however unlikely – that might occur on Classified Forest Program properties that should be considered for potential RSA status. The Division of Forestry needs to conduct analyses related to the need for, and distribution of, RSAs in association with its proposed Classified Forest Program FSC group
<b>MAJOR CAR 2008.8</b>	Prior to certification, the Division of Forestry must consult with the Nature Preserves Program to: 1) determine the types of forested ecosystems that naturally occur within Indiana; 2) determine if these forested ecosystems are adequately represented on Nature Preserve properties, other publicly owned properties, or other protected conservation lands; 3) review the Natural Heritage database to determine if any sites that should be classified as RSAs, based on the previous analysis, are found on FSC group member properties; 4) develop an appropriate approach to conserving these areas should any such properties are found; and 5) report on the results.
Reference	FSC Criterion 6.4
<b>DOF Response</b>	<p>Item 1) The Division of Forestry consulted with the Nature Preserves Program and obtained a current list of forested ecosystems that naturally occur in Indiana.</p> <p>Item 2) The Division of Forestry and the Nature Preserves Program conducted a gap analysis of communities on managed/protected lands, including nature preserves, state-owned land, municipal properties, and land trust sites, by natural region. Twenty-seven communities that are not represented on managed/protected lands in a given natural region were identified.</p> <p>Item 3) Group member parcels were screened to determine if they contained known examples of unique natural communities; 327 such communities were located or partially located on Classified Forest &amp; Wildlands parcels. Of the 327 communities, only 4 were so-called gap communities (i.e., communities that were not already adequately protected).</p> <p>Item 4) A plan was developed for notifying landowners whose properties contained gap communities and arranging to have Division of Forestry and Nature Preserve Program staff visit the site. District Foresters will then ensure that appropriate conservation measures for the sites are included in the management plan for the specific parcel.</p> <p>Item 5) The Division of Forestry provided a written summary of their efforts regarding Items 1-4 and the overall program for conserving RSAs was discussed during the November 2009 follow-up audit.</p>
<b>Auditor's Comments</b>	The Division of Forestry's collaboration with the Nature Preserves Program resulted in a comprehensive assessment of RSAs that adequately addressed all elements of the Major CAR.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 6.5 requires that written guidelines shall be prepared and implemented to control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and to protect water resources. The Division of Forestry, however, currently has no active role in harvest management on Classified Forest properties and cannot assure that FSC group members adhere to the requirements of Criterion 6.5. As group managers, the Division of Forestry must take steps to ensure that guidelines related to erosion control, forest damage, and road construction (i.e., BMPs) are both available and being implemented. We note that the Division of Forestry has prepared many such documents, so the necessary focus is on ensuring that such guidelines are implemented during management activities.	
<b>MAJOR CAR 2008.9</b>	Prior to certification, the Division of Forestry must: 1) compile a list of available documents and materials related to: erosion control; minimizing forest damage during harvesting, road construction, and all other mechanical disturbances; and to protect water quality; 2) develop a system for ensuring that such guidelines are actively employed during management activities on group member properties; 3) provide evidence that the system is being effectively employed; and 4) report on preliminary results.
<b>Reference</b>	FSC Criterion 6.5
<b>DOF Response</b>	Item 1) The Division of Forestry compiled a list of all print and web-based documents and materials related to forest management in Indiana (i.e., Best Management Practices or BMPs). Item 2) The Division of Forestry traditionally monitored BMS implementation during 5-year re-inspection site visits. As part of managing the FSC group, District Foresters now also visit active harvest operations on group member parcels. BMPs will be a specific topic of discussion with the contractor during the pre-harvest meeting and the District Forester will conduct at least one visit during operations as well as a post-harvest inspection to evaluate BMP use. In addition, 10 percent of timber sales each year will be audited for BMP compliance. Item 3) Implementation of these systems was documented during auditing site visits conducted in November 2009. Item 4) The Division of Forestry provided a written summary of all activities taken to comply with Items 1-3.
<b>Auditor's Comments</b>	The Division of Forestry's efforts to ensure compliance with BMPs fully conforms to the requirements of the Major CAR.
<b>Status</b>	CLOSED

**Background/Justification:** FSC Criterion 6.6 requires that management systems shall promote the development of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. FSC standards also prohibit the use of certain types of chemicals. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks. The Division

	of Forestry has no control over chemical use on Classified Forest Program lands and landowners are not required to keep records of chemical applications. The Division of Forestry will need to develop and implement a program that ensures compliance with all aspects of Criterion 6.6 on group member properties. The Division will especially need to demonstrate compliance with FSC Policy paper: “Chemical Pesticides in Certified Forests, Interpretation of the FSC Principles and Criteria, July 2002” and comply with prohibitions and/or restrictions on World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement.
<b>MAJOR CAR 2008.10</b>	Prior to certification, the Division of Forestry must: 1) develop a system for monitoring chemical use on group member properties; 2) provide evidence that group members have been trained in, and agree to follow, such a system; 3) develop a list of chemicals that are commonly used in forested settings in Indiana and screen the list to determine if use of any is banned on FSC-certified forests; 4) provide a list of banned chemicals to group members and, if appropriate, commercial pesticide applicators; and 5) report on the results of these efforts.
<b>Reference</b>	FSC Criterion 6.6
<b>DOF Response</b>	Item 1) The Division of Forestry requires each group member to report chemicals used during management operations. District Foresters then review these reports to determine if any included chemicals banned by the FSC. Item 2) The Division of Forestry has prepared written and web-based informational materials and has highlighted these in landowner newsletters and landowner training sessions. Item 3) The Division of Forestry prepared a list of commonly-used chemicals, based on previous landowner reports and other industry information. This list was screened to produce a list of chemicals that are banned by the FSC. Item 4) Group members were provided with the list of banned chemicals in newsletters, on the web, and during training sessions. Item 5) The Division of Forestry provided a written report describing their efforts to comply with Items 1-4.
<b>Auditor's Comments</b>	The Division of Forestry's efforts to ensure compliance with FSC chemical use policies fully conforms to the requirements of the Major CAR.
<b>Status</b>	CLOSED

**Background/Justification:** FSC Criterion 6.7 requires that chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations. The Division of Forestry, as group manager, has no control over harvest operations and the disposal of wastes generated during harvesting and cannot provide assurance that the requirements of

Criterion 6.7 are being met on group member properties.	
<b>MAJOR CAR 2008.11</b>	Prior to certification, the Division of Forestry must: 1) inform group members of the requirements of Criterion 6.7, which includes documenting the use of chemicals; and 2) develop a system for monitoring harvest operations to ensure compliance on the part of logging contractors, chemical applicators, and other on-site contractors.
<b>Reference</b>	FSC Criterion 6.7
<b>DOF Response</b>	The Division of Forestry has informed landowners about the need to record the use of chemicals and the requirements for the disposal of waste products and containers in environmentally appropriate manners. The Division will continue to address this issue in future newsletters, landowner field days, one-on-one meetings with landowners, and during the pre-harvest conference with contractors. District Foresters will also note any remaining containers during the post-harvest inspection.
<b>Auditor's Comments</b>	The Division of Forestry has notified group members of the need to deal with chemicals, waste products, fuels and oils, and containers in an environmentally appropriate manner. The new system of having the District Forester hold a pre-harvest conference, make at least one site visit during operations, and conduct a post-harvest inspection adequately addresses the requirements of the Major CAR.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 6.9 requires that the use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts. The Division of Forestry may make recommendations concerning fill planting and other use of plantings and seed mixes, but it has no control as yet over these activities on group member properties. The team notes that most hardwood planting occurs on properties prior to their being enrolled in the Classified Forest Program (i.e., restoration of forests on agricultural lands). Criterion 6.9 can apply to such activities as planting, erosion control seed mixes, and wildlife food plots.	
<b>MAJOR CAR 2008.12</b>	Prior to certification, the Division of Forestry must: 1) inform group members of the requirements of Criterion 6.9, which includes documenting the use of exotic species; 2) develop a system for monitoring the use of exotic species on group member properties (e.g., through self-reporting by landowners); and 3) investigate and offer alternatives to using exotics to group members (e.g., determine the availability of native seed mixes for erosion control or food plots).
<b>Reference</b>	FSC Criterion 6.9
<b>DOF Response</b>	The Division of Forestry has developed plans for informing group members about the requirements related to exotic species use, beginning with the 2010 newsletter. A system has also been developed for monitoring the use of exotic species on group member

	properties that includes annual reporting by landowners, attention to exotics by District Foresters during their site visits, and additional training sessions for landowners. The Division is also working with the State Botanist to investigate exotics that are appropriate and non-invasive, as well as to investigate alternative to using exotics in seed mixes.
<b>Auditor's Comments</b>	The Division of Forestry's response adequately covers all elements of the Major CAR. Many actions, however, are in the planning phase and have yet to be implemented. A new Minor CAR (2009.14), therefore, has been issued related to implementation of all planned activities.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 7.3 requires that forest workers shall receive adequate training and supervision to ensure proper implementation of management plans. There are no current requirements, however, to ensure that loggers are properly trained and that private foresters – when used – are trained in the necessary aspects of the management plans for group member properties. Evidence during the field visits also suggested that management plans are often not referred to during management activities.	
<b>MAJOR CAR 2008.13</b>	Prior to certification, the Division of Forestry must: 1) determine what training and/or supervision for forest workers (e.g., loggers, private foresters) is required to ensure compliance with the management plan; 2) develop a system for ensuring that forest workers are adequately trained and supervised; and 3) develop a system for monitoring harvest operations to ensure that management plans are being followed by forest workers with adequate training and supervision.
<b>Reference</b>	FSC Criterion 7.3
<b>DOF Response</b>	Item 1) The Division of Forestry developed a written list of training requirements for Division staff, landowners, private industry foresters, consultant foresters, loggers, and forestry vendors. Item 2) The Division of Forestry conducted a gap analysis to determine if there are any unmet training needs and developed plans for supplemental training, as warranted. Item 3) As previously noted, the Division of Forestry has developed a system for monitoring harvest operations that includes pre-harvest conferences, one or more site visits, and a post-harvest inspection. These visits will be used to ensure that management plans are being followed by forest workers with adequate training and supervision.
<b>Auditor's Comments</b>	The Division of Forestry's actions adequately address all items within the Major CAR.
<b>Status</b>	CLOSED

**Background/Justification:** FSC Criterion 7.4 requires that while respecting the

confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1. For the purposes of group certification, a public summary regarding management at the group level is normally sufficient.	
<b>MAJOR CAR 2008.14</b>	Prior to certification, the Division of Forestry must: 1) develop a public summary of the management plan for the Classified Forest Program FSC group certification program that is responsive to the primary elements listed in Criterion 7.1; and 2) make such a summary available to interested members of the public.
<b>Reference</b>	FSC Criterion 7.4
<b>DOF Response</b>	The Division of Forestry has developed an Umbrella Management Plan that covers major elements of the FSC group. This document, along with the annual program summary for the Classified Forest & Wildlands Program, serves as the public summary of the management plan for the purposes of complying with FSC Criterion 7.4.
<b>Auditor's Comments</b>	The Umbrella Plan and annual program summaries provide the necessary elements for an FSC public summary. The Division of Forestry also makes additional materials regarding the FSC group available in its annual newsletters and on the DNR website.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 8.2 requires that forest management 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; and e) cost, productivity, and efficiency of forest management. The Division of Forestry needs to develop a monitoring plan for its FSC group that is reflective of the size of the group as a whole while recognizing the small scale and intensity of most operations at the parcel level. We assume that many elements can be monitored at the group level, whereas others are necessarily addressed at the parcel level. We note that some monitoring already occurs at both the group (e.g., analysis of FIA data) and parcel levels.	
<b>MAJOR CAR 2008.15</b>	Prior to certification, the Division of Forestry must: 1) develop a monitoring plan that addresses the elements listed in Criterion 8.2 that are relevant to the group as a whole and/or to individual parcels.
<b>Reference</b>	FSC Criterion 8.2
<b>DOF Response</b>	The Division of Forestry developed a monitoring plan for their FSC group that addresses elements at both the group level and the parcel level. At the group level, monitoring will include state-wide data related to socio-economic parameters associated with the forest products industry and Continuous Forest Inventory (CFI) plots to monitor growth rates, regeneration, and forest condition. The DNR also has monitoring programs related to fish and wildlife habitats, rare and unique plants, animals, and natural communities, and

	cultural resources. At the parcel level, the environmental and social impacts of forest ownership and management are monitored as part of the management planning process, which includes site visits between the District Forester and the landowner. The Division of Forestry also monitors key elements of the Classified Forest & Wildlands Program, including number of landowners, acres enrolled, acres leaving the program, and Division of Forestry costs for program implementation.
<b>Auditor's Comments</b>	The Division of Forestry's overall monitoring efforts are comprehensive and include important elements at both the group and parcel levels. The proposed monitoring plan fully meets the requirements of the Major CAR.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 8.3 requires that documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain-of-custody". At the time of the audit, the Division of Forestry was in the process of evaluating a state-wide chain-of-custody system. The Division, however, must take steps to ensure stump-to-gate chain-of-custody procedures for harvest operations on group member lands. We note that tracking each forest product from its origin is only required when claims for FSC-certified products are being made.	
<b>MAJOR CAR 2008.16</b>	Prior to certification, the Division of Forestry must: 1) develop a system for tracking each forest product harvested from group member properties to the next point in the certification chain (i.e., "stump-to-gate" chain-of-custody) when claims of FSC-certification are sought for the forest product in question.
<b>Reference</b>	FSC Criterion 8.3
<b>DOF Response</b>	The Division of Forestry is the Group Manager for an evolving group of loggers, haulers, sawmills, and manufacturers under a separate FSC chain-of-custody certificate. As part of this forest management certificate (i.e., the subject of this report), the Division of Forestry developed a system for tracking primary forest products (i.e., logs and chips) from the stump to the next point of sale. In Indiana it is common for log buyers and logging contractors to buy standing timber, in which case the purchaser's chain-of-custody certificate takes over before the tree is harvested. For stump-to-gate sales (i.e., the landowner retains ownership until the logs or chips are delivered to a mill), the Division has developed a separate procedure.
<b>Auditor's Comments</b>	Each landowner will have a unique certificate sub-number, based on the group's number and the parcel's identification code. This number will appear on all sales documents when the landowner sells forest products as FSC-certified. The Division of Forestry's initial product list includes sawlogs, chips, sawn lumber, manufactured goods (e.g., tool handles, furniture), and non-timber forest products such as

	mushrooms. The focus of this report, a forest management certificate with stump-to-gate chain-of-custody certification, only applies, however, to logs and chips. A new Minor CAR (2009.15), therefore, has been issued requiring clarification of the product list.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Criterion 8.5 requires that while respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.	
<b>MAJOR CAR 2008.17</b>	Prior to certification, the Division of Forestry must: 1) develop a public summary of the monitoring plan and any relevant available results to-date for the Classified Forest Program FSC group certification program that is responsive to the primary elements listed in Criterion 8.2; and 2) make such a summary available to interested members of the public.
<b>Reference</b>	FSC Criterion 8.5
<b>DOF Response</b>	The Division of Forestry proposes to use its annual Classified Forest & Wildlands Program Summary as the public summary of the monitoring plan for the purposes of demonstrating compliance with FSC Criterion 8.5. This publicly-available document provides direct information, or references to, information concerning all of the required elements of FSC Criterion 8.2.
<b>Auditor's Comments</b>	The most recent annual program summary (2008) was reviewed during the November 2009 follow-up audit and was found to contain the information required by FSC Criterion 8.5, including those elements listed in FSC Criterion 8.2.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> FSC Principle 9 requires that management activities in high conservation value forests (HCVF) shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach. The FSC Regional Standards provide descriptions of what constitutes high conservation value forest attributes. We note that designation of a forest as HCVF does not necessarily preclude harvest operations or other management activities. No formal assessment of HCVF has been conducted by the Division of Forestry. Note that the statewide inventory by Nature Preserves can be used to identify areas that meet some of the definitions of HCVF.	
<b>MAJOR CAR 2008.18</b>	Prior to certification, the Division of Forestry must: 1) complete an assessment to determine the presence of attributes consistent with High Conservation Value Forests on Classified Forest Program group member properties; and 2) develop a program for ensuring full compliance with Principle 9 for HCVF forests, if any, that are identified on group member properties.
<b>Reference</b>	FSC Principle 9

<b>DOF Response</b>	The Division of Forestry used existing data (e.g., the Division of Nature Preserves database for rare plants, animals, and natural communities) to screen group member properties for known or potential HCVF. HCVF attributes are already normally considered as part of the management plan, but the Division will now specifically refer to such sites as HCVF. The Division also developed internal protocols for training District Foresters and other staff in HCVF concepts and landowner training materials related to HCVF will be provided to group members. The Division of Forestry's Umbrella Management Plan contains a section on HCVF and is available to the public.
<b>Auditor's Comments</b>	The Division's assessment for HCVF relied on comprehensive data compiled by expert ecologists and other resource professionals. To supplement this information, the Division developed training materials and protocols for identifying undiscovered HCVF during future management plan updates for each group member parcel. Where it occurs, HCVF will be monitored as part of the normal monitoring process for the parcel and any changes in HCVF status will be noted in the management plan. The Division's program covers all elements of Principle 9 and is appropriate for the scale of forest management operations on group member properties.
<b>Status</b>	CLOSED

<b>Background/Justification:</b> Group Criterion 3 requires that group members be allowed to make an informed consent to remain in the proposed group certification scheme. The criterion further elaborates on the types of information that must be made available to group members. The Division of Forestry has drafted materials that it intends to send to potential group members as part of its proposed opt-out FSC group system. This information, however, has yet to be mailed out, which was a strategic decision on the part of the Division of Forestry (i.e., they intend to mail this information out at the completion of the audit).	
<b>MAJOR CAR 2008.19</b>	Prior to certification, the Division of Forestry must: 1) comply with <b>Major CAR 2008.3</b> while also demonstrating compliance with the information requirements described in Group Criterion 3.
<b>Reference</b>	Group Criterion 3
<b>DOF Response</b>	The Division of Forestry provided materials to group members that described the FSC group system and provided procedures for opting out of the program, should members wish to do so. This information was mailed to landowners in 2009 and additional information was provided during a series of public meetings.
<b>Auditor's Comments</b>	The Division of Forestry has complied with Major CAR 2008.3 and provided the information requirements described in Group Criterion 3. Overall, these actions result in full compliance with Major CAR 2008.19.
<b>Status</b>	CLOSED

## 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 Indiana Division of Forestry's Classified Forest & Wildlands Program be awarded FSC certification as a "Well-Managed Forest", having successfully addressed the pre-conditions stated in Section 4.2, subject to the Initial Corrective Action Requests in Section 5.2.

### 5.2 Initial Corrective Action Requests

**Nonconformity:** FSC Criterion 1.1, specifically Indicator 1.1.a, requires that forest management shall respect all national and local laws and administrative requirements. This requirement extends to forest operations and includes activities performed by loggers, log truck drivers, and other forest workers. Federal regulations (OSHA 1910.266(a)(d)(1)), as well as the ILO Guidelines for Safety and Health in Forestry Work (see FSC Criterion 1.3), require that loggers wear certain personal protective equipment (PPE) while harvesting trees. Loggers were observed, however, felling trees without all the necessary PPE and District Foresters indicated that this was not a unique occurrence.

<b>Minor CAR 2009.1</b>	The Division of Forestry must: 1) develop a program for ensuring that personnel involved with harvest operations on certified Classified Forest Program properties wear the appropriate PPE for their assigned task; 2) provide evidence that input from representatives of the logging industry were consulted during program development; and 3) document that the program is being implemented.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 1.1.a

**Nonconformity:** FSC Criterion 1.1, specifically Indicator 1.1.b, requires that forest management operations follow available best management practices (BMPs). Evidence of BMP non-compliance, however, was observed on several of the sites visited by the audit team and included such things as missing waterbars, incorrectly installed waterbars, and skidding logs in creeks. Some BMP non-compliance is detected during the Division's 5-year inspection process, but this system alone is not timely enough to ensure compliance with FSC Indicator 1.1.b.

<b>Minor CAR 2009.2</b>	The Division of Forestry must: 1) develop a monitoring and enforcement program for ensuring that harvest operations on Classified Forest Program properties follow applicable BMPs, 2) demonstrate that appropriate Division of Forestry staff have been trained in program implementation, and 3) document that the program is being implemented.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 1.1.b

<p><b>Nonconformity:</b> FSC Criterion 1.1, specifically Indicator 1.1.c, requires that forest management plans and operations meet or exceed all applicable laws and administrative requirements with respect to sharing public information, opening records to the public, and following procedures for public participation. It is not clear, however, how the Division of Forestry forming an FSC group of private landowners relates to this indicator. Is the Division, for example, required by State law or regulation to undergo a public participation process to organize and manage an FSC group? Some stakeholders, including landowners, have also asked if membership in the FSC group will entail any requirements for them to publicly share any management information beyond what is required by current Classified Forest Program regulations.</p>	
<p><b>Minor CAR 2009.3</b></p>	<p>The Division of Forestry must: 1) determine if Indiana laws or regulations require a public participation process to form an FSC group certification system based on the Classified Forest Program; 2) if such laws or regulations exist, develop a program for addressing applicable requirements; 3) document the implementation of such a program, if warranted, and 4) provide information to potential group members regarding the public information requirements, if any, associated with group membership.</p>
<p><b>Deadline</b></p>	<p>By the first annual audit</p>
<p><b>Reference</b></p>	<p>FSC Indicator 1.1.c</p>

<p><b>Nonconformity:</b> FSC Indicator 5.1.c requires that investment and/or reinvestment in forest management are sufficient to fulfill management objectives and maintain and/or restore forest health and productivity. Many landowners don't appear to invest in timber stand improvement (TSI), even when recommended in the management plan. In addition, management objectives tend to be vague in many management plans.</p> <p>As group managers, the Division of Forestry will need to reinvest in the forest by motivating the landowner to reinvest in things like TSI. We recognize that many District Foresters attempt to do this, but find it difficult to accomplish. The Division of Forestry will have to revitalize its efforts to motivate landowners to follow through on management plan recommendations through additional training and potentially financial incentives. The Division of Forestry may also need to hire more staff to implement FSC group management requirements.</p> <p>To ensure compliance with this indicator, the Division of Forestry will have to take steps to ensure that adequate investment in the forest is made and directed toward reaching the desired future condition of forest.</p>	
<p><b>Minor CAR 2009.4</b></p>	<p>The Division of Forestry must: 1) develop a program for defining and monitoring adequate investment and/or reinvestment in the forest at both the group level (e.g., the Division of Forestry's investment in staff and other resources) and parcel levels (i.e., evaluate incentives for landowners).</p>

<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 5.1.c

**Nonconformity:** FSC Indicator 6.1.a requires that using credible scientific analyses and local expertise, an assessment of current conditions is completed to include: disturbance regimes and successional pathways; unique, vulnerable, rare, and threatened communities; common plants, animals, and their habitats; sensitive, threatened, and endangered species and their habitats; water resources; and soil resources. FSC Indicator 6.1.b requires that using available science and local expertise, the current ecological conditions are compared to both the historical conditions and desired future conditions within the landscape context. This comparison is done by employing the baseline factors identified in 6.1.a.

Parcel level management plans typically contain very general descriptions of current conditions, although notable exceptions were observed. The team concludes that more attention needs to be paid to how current conditions will be assessed and described in management plans, appropriate to the scale and intensity of operations. We note that the revised draft management plan template shows progress toward this goal and takes further steps toward linking current forest conditions with management recommendations to achieve desired future conditions. The Division of Forestry will have to ensure that all District Foresters receive the proper training to ensure consistency among management plans. **Major CAR 2008.6, now closed, was written in response to a material failure to comply with Criterion 6.1. Minor CAR 2009.5 was, instead, issued in response to a perceived need to improve current practices related to Indicators 6.1.a and 6.1.b.**

<b>Minor CAR 2009.5</b>	The Division of Forestry must: 1) develop an approach to characterizing current and historic forest conditions at the landscape level (i.e., regional and/or state-wide) that can be applied to the group as a whole; 2) develop standardized protocols for describing current conditions and comparing them to historic conditions as management plans are prepared or updated; 3) demonstrate that District Foresters have been trained in the application of such protocols; and 4) develop and implement a quality assurance program to ensure that management plans conform to the protocols.
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<b>Deadline</b>	By the first annual audit (CLOSED)
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<b>Reference</b>	FSC Indicator 6.1.a and 6.1.b
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<b>DOF Response</b>	Item 1) The Division of Forestry prepared a description of current and historic forest conditions at the landscape level in the Umbrella Management Plan for its FSC group; Item 2) The Division of Forestry finalized an updated template for new and updated management plans that includes standard protocols for describing current and historic forest conditions; Item 3) The updated management plan template has been provided to District Foresters and expectations for its use have been covered in Division meetings and in one-on-one meetings between District Foresters and supervisory staff;
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	Item 4) The Division of Forestry has developed protocols for reviewing draft management plans developed under the new template.
<b>Auditor's Comments</b>	The updated draft management plan template was available during the initial audit in 2008. Following that audit, the template was finalized and distributed to District Foresters. During the November 2009 follow-up audit, District Foresters indicated that they had been trained in the use of the template and example current management plans were provided for inspection.
<b>Status</b>	CLOSED

<b>Nonconformity:</b> FSC Indicator 6.1.c requires that prior to the commencement of management activities potential short-term environmental impacts and their cumulative effects are evaluated. FSC Indicator 6.1.d requires that using assessments derived from 6.1.c, management options are developed and implemented to achieve the long-term desired future conditions and ecological functions of the forest. Based on our site visits, our conclusion is that pre-harvest environmental impacts are addressed on a cursory basis by consulting or industry foresters, when used on a job, or (more commonly) by the logging contractor. As group managers, the Division of Forestry will have to develop a process for ensuring that short-term environmental impacts are addressed and mitigated where possible prior to harvest operations. <b>Major CAR 2008.6, now closed, was written in response to a material failure to comply with Criterion 6.1. Minor CAR 2009.6 was, instead, issued in response to a perceived need to improve current practices related to Indicators 6.1.c and 6.1.d.</b>	
<b>Minor CAR 2009.6</b>	The Division of Forestry must: 1) develop a process for ensuring that short-term environmental impacts are evaluated prior to harvest operations and that management options are developed and implemented to achieve desired long-term future conditions; 2) develop and implement any necessary training programs for appropriate forest workers; and 3) demonstrate that the process is being implemented.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 6.1.c and 6.1.d
<b>DOF Response</b>	Item 1) The Division of Forestry's process for evaluating short-term environmental impacts is described in Major CAR 2008.6; methods for addressing long-term future condition of the forest are addressed in Minor CAR 2009.5; Item 2) District Foresters have received training in implementation of updated protocols related to environmental impact assessment and management plan preparation; as noted in Major CAR 2008.6, District Foresters will also hold pre-harvest meetings with logging contractors and industry/consulting foresters, during which time these professionals will receive training related to avoiding environmental impacts and management plan implementation; Item 3) Evidence that the new protocols were being implemented

	was provided during the November 2009 follow-up audit.
<b>Auditor's Comments</b>	The Division of Forestry's protocols for addressing short-term environmental impacts is based on improved management plans, increased consistency in management plans, renewed emphasis on BMPs, training, and having District Foresters involved with harvest planning and execution via the pre-harvest conference, at least one site visit during harvest operations, and a post-harvest inspection.
<b>Status</b>	CLOSED

**Nonconformity:** FSC Indicator 6.2.b requires that if scientific data indicate the likely presence of state and/or Federally listed as threatened, endangered, or special concern, or sensitive populations, either new surveys are carried out before field management activities begin or the forest owner or manager assumes their presence and makes appropriate modifications in forest management. As previously noted, the Division of Forestry had no involvement in harvest operations at the time of the initial audit, so it couldn't assure compliance with this indicator at the time.

<b>Minor CAR 2009.7</b>	The Division of Forestry must develop a process for ensuring that landowners and forest workers are made aware of the presence of state and/or Federally listed as threatened, endangered, or special concern species, or sensitive populations, when they occur, prior to harvest operations.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 6.2.b

**Nonconformity:** FSC Indicator 6.2.d, states that "Where they have been identified, state and/or Federally listed as threatened, endangered, of special concern, or sensitive species and their habitats are maintained and/or restored. Multiple-use management activities are acceptable, where the law allows, in these species' habitat areas to the extent that they are compatible with maintenance and restoration of the species." As the Division of Forestry currently lacks a process for making landowners and forest workers aware of the presence of state and/or federally listed RTE species as per Minor CAR 2009.7, it cannot verify whether or not all affected group member management plans address appropriate management activities consistent with the maintenance and/or restoration of RTE species and their habitats.

<b>Minor CAR 2009.8</b>	The Division of Forestry must develop a process for ensuring that acceptable management options are developed on group member properties in identified RTE species' habitat areas to the extent that these options are compatible with the maintenance and/or restoration of the species.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 6.2.d and Minor CAR 2009.7

**Nonconformity:** FSC Indicator 6.3.a.2 requires that silvicultural practices encourage regeneration that moves the forest toward a desired future condition, consistent with information gathered in 6.3.a.1. Although light harvests are beneficial regarding some

environmental indicators, removals that are too light may not result in adequate regeneration of desired species. The Division of Forestry is renewing its commitment to focusing on the desired future condition of stands when preparing or reviewing management plans. As part of this effort, additional attention should be given to the regeneration of stands, where appropriate, as they relate to long-term desired future conditions.

<b>Minor CAR 2009.9</b>	The Division of Forestry must: 1) use available data (e.g., the recent analysis of FIA data) to evaluate the long-term stand development trajectory of group member properties as a whole, given current forest conditions, typical harvest practices, and expected successional patterns for dominant forest types; 2) evaluate the need for more long-term attention to regeneration harvests in dominant forest types (e.g., oaks, maples, etc.); 3) if such attention is warranted, evaluate the need for additional silvicultural training or guidelines related to regeneration harvests; and 4) implement such training and/or prepare and disseminate such guidelines, if warranted.
<b>Deadline</b>	By the second annual audit
<b>Reference</b>	FSC Indicator 6.3.a.2

**Nonconformity:** FSC Indicator 7.1.i requires that the management plan include a description and justification of harvesting techniques and equipment to be used. Indicator 7.1.i.1 requires that harvest machinery and techniques are discussed in the management or harvest plan. Indicator 7.1.i.2 further requires that conditions for each timber sale are established by a timber sale contract or written harvest prescription and accompanying timber sale map. Many parcels don't have harvest plans, unless they are prepared by a consulting forester or industry forester. Most operations in Indiana use the same equipment (i.e., chainsaw and skidder), so model discussions of typical harvest protocols for these systems could be handled at the group level. The team notes that harvest plans should be appropriate to the scale and intensity of operations, which is often a low-impact logging situation. The team also notes that the Division of Forestry provides landowners with model harvesting contracts.

<b>Minor CAR 2009.10</b>	The Division of Forestry must: 1) develop a system for ensuring that management or harvest plans contain a description and justification of harvesting techniques and equipment to be used; and 2) take steps to ensure that the conditions for each timber sale on group member properties is established in a timber sale contract or written harvest prescription with an accompanying timber sale map.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 7.1.i and 7.1.i.2

**Nonconformity:** As per Minor CARs 2009.7 and 2009.X, the Division of Forestry lacks processes for ensuring that landowners and forest workers are made aware of the presence of state and/or Federally listed RTE species and that management options are developed to maintain and/or restore RTE species and their habitats. Group members

	will need to be trained in how to implement these processes once they have been developed.
<b>Minor CAR 2009.11</b>	The Division of Forestry must develop and implement any necessary training programs for landowners and forest workers related to the implementation of RTE processes developed in Minor CARs 2009.7 and 2009.8.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 7.3.a, Minor CAR 2009.7, and Minor CAR 2009.8

<b>Nonconformity:</b> FSC Indicator 8.1.a requires that the frequency of monitoring activities follows the schedule outlined in the management plan. Monitoring frequency is rarely – if ever – discussed in the management plans. Most properties are small, however, and would be eligible for informal, qualitative assessments. Many monitoring activities can be done at the landscape (i.e., group) level (i.e., FIA data). The Division of Forestry, though, needs to clarify the monitoring activities that will be associated with its FSC group at the parcel level. See also <b>Major CAR 2008.15 (CLOSED)</b> .	
<b>Minor CAR 2009.12</b>	The Division of Forestry must: 1) determine what monitoring activities are appropriate at the parcel level (see <b>Major CAR 2008.15 [CLOSED]</b> ); 2) develop a system for ensuring that such monitoring activities are being carried out, <a href="#">including their frequency</a> ; and 3) develop any necessary training programs that are required to carry out such monitoring activities.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 8.1.a

<b>Nonconformity:</b> Group management Indicator C.1.b requires that the <u>group entity's</u> responsibilities, for example with respect to management planning, monitoring, harvesting, quality control, marketing, processing, etc., shall be clearly defined and documented. We note that this criterion relates closely to elements discussed in <b>Major CAR 2008.3 (CLOSED)</b> .	
<b>Minor CAR 2009.13</b>	In addition to complying with <b>Major CAR 2008.3 (CLOSED)</b> , the Division of Forestry must: 1) develop and implement a system for regularly assuring that Division of Forestry staff are aware of, and follow through on, their responsibilities related to management planning, monitoring, harvesting, quality control, marketing, and processing.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	Group C.1.b

<b>Nonconformity:</b> Group management Indicator C.2.b requires the <u>group members'</u> management responsibilities, for example with respect to management planning, monitoring, harvesting, quality control, marketing, processing, etc. shall be clearly defined and documented.	
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<b>Minor CAR 2009.14</b>	In addition to complying with <b>Major CAR 2008.3 (CLOSED)</b> , the Division of Forestry must: 1) develop and implement a system for regularly assuring that group members are aware of, and follow through on, their responsibilities related to management planning, monitoring, harvesting, quality control, marketing, and processing.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	Group C.2.b

**Nonconformity:** FSC Criterion 1.1 requires that forest management shall respect all national and local laws and administrative requirements. Indiana's Classified Forest & Wildlands Program requires that management plans be updated every 10 years and that landowners agree to follow their plan. Some plans, however, were found to be out-of-date, resulting in the issuance of Major CAR 2008.1. The Division of Forestry successfully addressed Major CAR 2008.1 by providing a timetable and methodology for bringing out-of-date plans into compliance. This Minor CAR, however, is being issued to provide an opportunity for ensuring that the proposed methodologies are being implemented.

<b>Minor CAR 2009.15</b>	The Division of Forestry must: 1) report on the results of efforts to complete missing management plans and to update inadequate plans; and 2) provide auditor access to copies of recently completed or updated management plans.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 1.1.a.

**Nonconformity:** FSC Criterion 6.9 requires that the use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts. Criterion 6.9 can apply to such activities as planting, erosion control seed mixes, and wildlife food plots. Major CAR 2008.12 required the Division of Forestry to inform group members of the requirements of Criterion 6.9, develop a system for monitoring use of exotic species on group member properties, and investigating alternatives to using exotic species, where possible. The Division of Forestry successfully addressed Major CAR 2008.12 and this Minor CAR is issued to ensure that proposed methodologies are being implemented.

<b>Minor CAR 2009.16</b>	The Division of Forestry must: 1) provide evidence documenting that landowners have been informed of requirements related to the use of exotic species; 2) provide a summary of the results of monitoring of exotic species use on group member properties; 3) report on efforts to identify acceptable uses of exotic species (e.g., where adverse ecological impacts are not expected); and 4) report on efforts to identify alternatives to using exotic species.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Indicator 6.9.d.

**Nonconformity:** FSC Criterion 8.3 requires that documentation shall be provided to enable monitoring and certifying organizations to trace each forest product from its

<p>origin, a process known as "chain-of-custody". Major CAR 2008.16 was issued, requiring the Division of Forestry to develop a system for tracking forest products harvested from group member properties to the next point in the certification chain when claims of FSC-certified product are sought. The Division of Forestry addressed Major CAR 2008.16 by developing chain-of-custody protocols for group members. Appendix 1 of the protocols listed manufactured products (e.g., tool handles, kitchenware, and furniture) and non-timber forest products (e.g., nuts, plant parts, and maple sugar). A combined Forest Management and Chain-of-Custody certificate, however, only covers logs and chips and separate methodologies and auditing procedures are required for manufactured goods or non-timber forest products.</p>	
<b>Minor CAR 2009.17</b>	The Division of Forestry must: 1) revise their chain-of-custody procedures to reflect only the sale of logs or chips; and 2) revise the product list to only include logs or chips.
<b>Deadline</b>	By the first annual audit
<b>Reference</b>	FSC Criterion 8.3

<p><b>Background/Justification:</b> FSC Indicator 1.1.b requires that forest management plans and operations comply with state Best Management Practices (BMPs) and other forest management guidelines applicable to the forest, both voluntary and regulatory (see also Criterion 6.5). During the site visits, some District Foresters did not demonstrate a detailed understanding of applicable BMPs. While potentially understandable because they do not normally supervise harvest operations, management of an FSC group would be facilitated through a better understanding of BMPs. The same is true for seasonal interns or other staff conducting 5-year property inspections and logging contractors.</p>	
<b>REC 2009.1</b>	We recommend that the Division of Forestry: 1) evaluate the need for additional BMP training for District Foresters; 2) develop and implement appropriate training programs for District Foresters, if warranted; 3) review and revise, as necessary, BMP training requirements for seasonal interns or other staff conducting 5-year property inspections, and 4) offer BMP training to logging contractors or support existing efforts by other parties in the State that provide such training.
<b>Reference</b>	FSC Indicator 1.1.b

<p><b>Background/Justification:</b> FSC Indicator 1.6.b requires that forest owners or managers document the reasons for seeking partial certification. The Division of Forestry has eligibility criteria for membership in the Classified Forest Program FSC certification pool. There may, however, be small areas of eligible, but unclassified, forests on parcels that are enrolled in the Classified Forest Program. The team believes that this would be a small acreage, but recommend that the Division identify such parcels on group member properties and encourage their enrollment in the Classified Forest Program.</p>	
<b>REC 2009.2</b>	We recommend that the Division of Forestry: 1) develop a program for screening member properties to determine if they contain any forested areas that are eligible to be enrolled in the Classified Forest

	Program but that are as yet un-enrolled; and 2) take steps to encourage the enrollment of such areas or document reasons why the landowner does not which to undertake such actions.
<b>Reference</b>	FSC Indicator 1.6.b

**Background/Justification:** FSC Indicator 2.1.a requires that forest owners or managers document the legal and customary rights associated with the forest. These rights include both those held by the party seeking certification and those held by other parties. Based on management plans inspected to date and interviews with District Foresters, it appears that most legal rights are described in the management plan, including leases, easements, County roads, oil and gas wells and lines, and County drainage easements. The team recommends, however, that the need to include these legal rights, as well as any customary rights, in the management plan for each parcel should be reinforced with District Foresters, industry foresters, and consulting foresters.

<b>REC 2009.3</b>	We recommend that the Division of Forestry: 1) inform District Foresters, industry foresters, and consulting foresters of the need to document legal and customary use rights in the management plan; and 2) develop a quality assurance program for ensuring that such information is included in all management plans.
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<b>Reference</b>	FSC Indicator 2.1.a
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**Background/Justification:** FSC Indicator 3.1.a requires that on tribal lands, forest management and planning includes a process for input by an authorized tribal governing body. Tribal enterprises are known to be buying land in Indiana, and these properties may be enrolled in the Classified Forest Program. Tribal enterprise lands would be subject to the requirements found in Principle 3 that relate to tribal lands.

<b>REC 2009.4</b>	We recommend that the Division of Forestry: 1) screen their Classified Forest Program database for lands owned by tribal enterprises and see what processes exist for soliciting input by an authorized tribal governing body. If such lands are found, we recommend that the Division of Forestry take all steps necessary to ensure compliance with relevant aspects of Principle 3.
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<b>Reference</b>	FSC Indicator 3.1.a
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## 6.0 SURVEILLANCE EVALUATIONS

If certification is awarded, surveillance evaluations will take place at least annually to monitor the status of any open Corrective Action Requests and review the continued conformance of the Indiana Division of Forestry’s Classified Forest Program to the Lake States-Central Hardwoods FSC Regional Standards. Public summaries of surveillance evaluations will be posted separately on the SCS website ([www.scscertified.com](http://www.scscertified.com)).

## 7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures and 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.

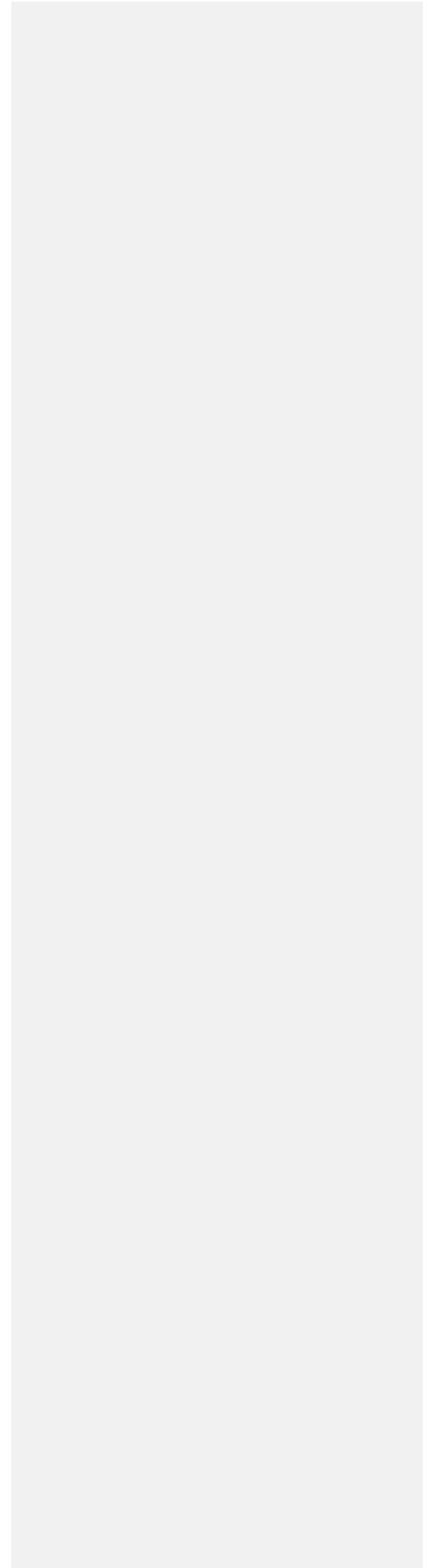
The written Complaint or Appeal must:

- 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. Hrubes  
Senior Vice-President  
Scientific Certification Systems  
2200 Powell Street, Suite 725  
Emeryville, California, USA94608  
Email: [rhrubes@scscertified.com](mailto: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.



## **SECTION B DETAILED RESULTS OF THE FULL EVALUATION**

### **1.0 DETAILED EVALUATION OF CONFORMANCE**

A single conformance table was prepared to summarize the audit team's observations, given the number of individual sites visited (50) and the fact that the team concluded that conformance should most appropriately be evaluated at the group level. This was especially true given that individual potential group members had yet to be formally invited into the group at the time of the initial audit. That said, the team provided observations obtained from individual parcels visited where appropriate. For the sake of transparency, the original weaknesses noted following the initial audit were retained, but clarified by notes based on observations made during the follow-up audit in 2009.

Principle 10 was not evaluated given that Classified Forest Program lands, by definition, must already be forested. Planted areas, such as Classified Wildlands or un-enrolled agricultural lands, may have some relevance to Principle 10, but such relevance would only be considered if such properties were added to the Division of Forestry's FSC group. Moving forward, the Division of Forestry will have to monitor planting practices on group member lands and take steps to ensure that plantations, as defined by the FSC, are not being created. It should be noted that supplemental plantings (artificial regeneration) or planting of native species for ecological restoration or rehabilitation do not necessarily meet the FSC definition of plantation under Principle 10. Any plantation areas identified in the group that meet the FSC definition must also meet the November 1994 cut-off date for FSC plantation enrollment. See criterion 10.9 for more details.

Indiana Division of Forestry should take note that SCS may evaluate the applicability of Principle 10 to the Classified Forest Group during subsequent annual audits, as well as once the FSC US standard includes an updated version of Principle 10.

Many potential group member properties likely meet the definition of SLIMFs and may be eligible for auditing to those standards. As the Division of Forestry better defines its FSC group, it may be advantageous to distinguish between SLIMF and non-SLIMF parcels.

The findings and observations of the evaluation team are presented in this section, structured according to the 9 applicable FSC Principles. To follow are brief descriptions of each Principle, Criterion, and Indicator and the team's findings and judgments at the Criterion and Indicator level.

C = Conforms to the criterion/ indicator and NC = Not in conformance with the criterion/ indicator. Each indicator was rated and then ratings were summed upward to the Criterion and then Principle levels.

**Lake States-Central Hardwoods Region (USA) Regional Forest Stewardship  
Standard  
Version 3.0, 2/10/2005**

\* Criteria marked with an asterisk are fatal flaws, as determined by the working group.

REQUIREMENT	C/ NC	COMMENT/CAR
<b>P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.</b>		
<b>C1.1 Forest management shall respect all national and local laws and administrative requirements.</b>	C	The team concluded that there wasn't sufficient evidence to demonstrate conformance to Criterion 1.1 at the time of the initial audit, primarily with regards to management plans (i.e., many appear to be out-of-date) and the lack of any Division of Forestry role in harvest implementation (i.e., ensuring that plans are followed; ensuring that BMPs are implemented). A pre-condition ( <b>Major CAR 2008.1; CLOSED</b> ) was issued regarding the out-of-date management plans and Minor CARs were issued for the other items. (Note: This weakness has been substantially addressed through efforts to update sub-standard management plans and by having the District Foresters visit properties for a pre-harvest conference, at least one visit during harvest operations, and for a post-harvest inspection. The Division of Forestry will also annually inspect 10 percent of harvest operations to evaluate compliance with BMPs)
<p>1.1.a. Forest management plans and operations comply with federal, state, county, municipal, and tribal laws, case law, and regulations.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>All necessary permits are obtained.</i></li> <li>• <i>There is neither evidence nor substantial claims of continued or intentional non-compliance with laws and regulations that relate to forest management by the forest owner or manager.</i></li> </ul>	C	<p>Indiana program policies require 10-year updates to the management plans, but many plans were found to be out-of-date (see <b>Major CAR 2008.1; CLOSED</b>). Some District Foresters indicated that they were behind on plan updates and weren't sure if and when they would be caught up. (Note: The Division of Forestry has developed protocols for completing missing plans and updating inadequate plans. Prioritization measures are in place to assure that no harvests will occur without an adequate management plan)</p> <p>Regulations require that the management plan be followed, but Division of Forestry inspection reports – and the audit team's observations – indicate that this is frequently not the case (see <b>Major CAR 2008.1; CLOSED</b>).</p> <p>Some landowners don't file required annual reports, but regular violation means withdrawal of lands. Division of Forestry staff indicated that landowners are given fair opportunity to come into compliance, but that they do remove properties from the program for failure to submit annual reports.</p> <p>FSC Criterion 1.1 requires that forest management shall respect all national and local laws and administrative requirements. Indiana's Classified Forest &amp; Wildlands Program requires that management plans be updated every 10 years and that landowners agree to follow their plan. Some plans, however, were found to be out-of-date, resulting in the issuance of Major CAR 2008.1. The Division of Forestry successfully addressed Major CAR 2008.1 by providing a timetable and methodology for</p>

		<p>bringing out-of-date plans into compliance. This Minor CAR, however, is being issued to provide an opportunity for ensuring that the proposed methodologies are being implemented (see <b>Minor CAR 2009.16</b>).</p> <p>Loggers were observed not wearing all proper safety equipment at some sites, potentially in violation of State or Federal OSHA laws. Several District Foresters indicated that their impression was that lack of PPE was not an unusual occurrence (see <b>Minor CAR 2009.1</b>).</p> <p>As group managers, the Division of Forestry currently has no control over harvest operations and cannot demonstrate that such operations are in compliance with applicable laws and administrative requirements (see <b>Major CAR 2008.1 [CLOSED]</b> and <b>Minor CAR 2009.1</b>). (Note: As previously noted, the Division of Forestry has implemented new procedures that require that the District Forester visit active harvest operations for a pre-harvest conference, at least one visit during active operations, and for a post-harvest inspection.</p>
<p>1.1.b. Forest management plans and operations comply with state Best Management Practices (BMPs) (see Appendix for references) and other government forest management guidelines applicable to the forest, both voluntary and regulatory (see also Criterion 6.5).</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Compliance with state, watershed, county, and planning district regulations.</i></li> </ul>	C	<p>Instances of BMP non-compliance were observed by the audit team during the various site visits, including skidding in creeks, no water bars, or improperly installed water bars (see <b>Minor CAR 2009.2</b>). (Note: The Division of Forestry, as previously noted, will visit all active harvest operations, conduct a post-harvest inspection on all harvests, and conduct BMP audits on 10 percent of all harvests)</p> <p>Some District Foresters did not appear to have a detailed understanding of BMPs, which calls into question the full reliability of their observations during periodic site inspections. Student interns were not available to interview, but the audit team suspects that they, too, have varying degrees of familiarity with BMPs (see <b>REC 2009.1</b>).</p> <p>The 5-year inspection interval frequently does not pick up on BMP compliance quickly enough (i.e., ideally an inspection is done while the operator is still on-site and able to make corrections). (Note: See previous notes regarding site visits to harvest operations and increased BMP inspections)</p> <p>Loggers may or may not have BMP training and there is no regulation requiring that they have such training. The Division of Forestry could extend or institute voluntary training programs for loggers working on group member properties (see <b>REC 2009.1</b>).</p>
<p>1.1.c. Forest management plans and operations meet or exceed all applicable laws and administrative requirements with respect to sharing public information, opening records to the public, and following procedures for public participation.</p>	C	<p>Current operations on individual parcels appear to meet the intent of this indicator given that private landowners aren't obligated to provide much public information, other than annual reports.</p> <p>In forming an FSC group, the Division of Forestry must determine what public processes, if any, are required related to sharing public information and following procedures for public participation (see <b>Minor CAR 2009.3</b>).</p>
<p><b>C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.</b></p>	C	

<p>1.2.a. Taxes on forest land and timber, as well as other fees related to forest management, are paid in a timely manner and in accordance with state and local laws.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Tax receipts verify that property and excise taxes have been paid.</i></li> </ul>	C	<p>Property taxes are collected by the County and District Foresters assume that they are being paid. Some County websites list whether taxes are paid, but District Foresters generally do not access these sites, or tax offices, unless alerted to a potential problem by tax officials.</p> <p>The audit team concluded that existing processes at the County level identify property owners who are behind on taxes and that appropriate steps are taken in these cases.</p>
<p><b>C1.3. In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.</b></p>	C	<p>(see <b>Major CAR 2008.2 [CLOSED]</b>)</p>
<p>1.3.a. Forest management operations comply with all binding treaties or other agreements to which the U.S. is a party, including treaties with American Indian tribes.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>There is no evidence of non-compliance with relevant treaties and agreements.</i></li> </ul>	C	<p>The Division of Forestry does not have a list of relevant documents and has not evaluated whether potential group member properties are in compliance with all binding treaties or other agreements to which the US is a party (see <b>Major CAR 2008.2 [CLOSED]</b>). Particular attention should be paid to the International Labor Organization (ILO) <i>Code of Practice on Safety and Health in Forestry Work</i> and its potential application to harvest operations on group member properties.</p>
<p><b>C1.4. Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and by the involved or affected parties.</b></p>	C	
<p>1.4.a. Where conflicts between laws and FSC Principles and Criteria occur, they are referred to the appropriate FSC body.</p>	C	None known.
<p><b>C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.</b></p>	C	
<p>1.5.a. Forest owners or managers implement measures to prevent illegal and unauthorized activities in the forest.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>The land manager paints and posts boundary notices, uses gates, makes periodic inspections, and reports illegal activities to the proper authorities.</i></li> </ul>	C	<p>Division of Forestry staff note illegal activities on Classified Forest Program properties during 5-year site visits (for example, an active, potentially illegal dump was observed on one property during the audit and the landowner will be contacted).</p> <p>Some landowners put up wire gates or other barriers to illegal access and Classified Forest Program regulations require posting the corners of enrolled properties.</p> <p>During the audit, the following potentially illegal or unauthorized activities were observed: an active dump on one property; trespassing and rutting on properties; no permit for land clearing and lake construction; lack of proper posting of Classified Forest signs.</p> <p>The team concluded that, based on all the sites visited, that most landowners make a reasonable effort to control illegal and unauthorized activities, but that improvements could be made under an FSC group certification scenario.</p>
<p><b>C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b></p> <p><i>Applicability note to Criterion 1.6.: Assessment of this criterion is guided by both FSC Policy and Guidelines: Partial Certification for Large Ownerships (FSC POL 20-001 Partial Certification and the FSC Guidelines for Certification Bodies FSC-STD-20-001 (version 2-1)) both available at</i></p>	C	<p>(see <b>Major CAR 2008.3 [CLOSED]</b>)</p>

<a href="http://www.fsc.org/en/whats_new/documents/Docs_cent/2">http://www.fsc.org/en/whats_new/documents/Docs_cent/2</a> .		
1.6.a. Forest owners or managers provide written statements of commitment to the FSC Principles and Criteria. The commitment is stated in the management plan [see 7.1], a document prepared for the certification process, or another official document.	C	<p>The Division of Forestry has demonstrated its commitment to the FSC Principles and Criteria through the certification of its State Forests and through its intent in establishing the Classified Forest Program group certification system.</p> <p>Forester owners and managers have yet to make this commitment as group members have not been invited to join the group at this time, which the team recognizes is a strategic decision on the Division's part. (Note: The Division of Forestry has provided opportunities for landowners to opt out of the group should they choose to do so; management plan updates will require that landowners commit in writing to adhering to the FSC Principles and Criteria)</p> <p>Upon formalization of the group, commitment to the FSC Principles and Criteria must be solicited from fully-informed landowners and those responsible for forest management, including foresters, logging contractors, and pesticide applicators working on group member properties (see <b>Major CAR 2008.3 [CLOSED]</b>). (Note: The Division of Forestry has developed protocols for ensuring that landowners, logging contractors, and resource professionals agree to follow relevant FSC requirements when working on group member properties)</p>
1.6.b Forest owners or managers document the reasons for seeking partial certification.	C	<p>The Division of Forestry has eligibility criteria for membership in the Classified Forest Program FSC certification pool. There may, however, be small forested parcels of eligible, but unclassified, forests on parcels that are enrolled in the Classified Forest Program. The team believes that this would be a small acreage, but recommend that the Division identify such parcels on group member properties and encourage their enrollment in the Classified Forest Program (see <b>REC 2009.2</b>)</p>
1.6.c Forest owners or managers document strategies and silvicultural treatments for several harvest entries that meet the FSC Principles and Criteria (see Principle 7).	C	<p>Forest managers (i.e., consulting foresters, industry foresters, logging contractors, landowners) are not aware that their properties are potentially to be enrolled in an FSC group and provisions had not been made to document strategies and silvicultural treatments for several harvest entries that meet the FSC Principles and Criteria (see <b>Major CAR 2008.3 [CLOSED]</b>).</p> <p>The Division of Forestry has prepared draft documents for managing the group (see Indiana Classified Forest Certified Group [ICFCG] document), but has yet to develop harvest strategies that meet the FSC Principles and Criteria (see <b>Major CAR 2008.3 [CLOSED]</b>). (Note: Several harvest sites that were based on strategies for fully meeting the FSC Principles and Criteria were visited during the November 2009 follow-up audit)</p>
<b>P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.</b>		
<b>C2.1. Clear evidence of long-term forest use rights to the land (e.g., land title, customary rights, or lease agreements) shall be demonstrated.</b>	C	
<i>Applicability Note: Property rights of private landowners are respected. The forest owner or manager of privately owned land retain their private property rights, while simultaneously honoring the rights of adjacent landowners.</i>		
2.1.a. Forest owners or managers document the legal and	C	Based on management plans inspected to date and

<p>customary rights associated with the forest. These rights include both those held by the party seeking certification and those held by other parties.</p>		<p>interviews with District Foresters, it appears that most legal rights are described in the management plan, including leases, easements, County Road, oil and gas wells and lines, and County drainage easements. The team recommends, however, that the need to include these legal rights, as well as any customary rights, in the management plan for each parcel should be reinforced with District Foresters, industry foresters, and consulting foresters (see <b>REC 2009.3</b>).</p>
<p>2.1.b. Affected land boundaries are clearly identified on the ground by the forest owner or manager prior to commencement of management activities.</p>	C	<p>Classified Forest Program regulations or policy require certain posting of property corners. During the site visits, some properties were found to not have the requisite postings, although District Foresters said that this was something that would be noted and remedied during 5-year re-inspections.</p> <p>Some property lines were found to be marked, but many others weren't. District Foresters typically recommend marking boundaries, particularly if a harvest is near the boundary. The team assumes that proper posting, per Classified Forest Program regulations, and property line marking when harvests are near the boundary, will be required for group membership and enforced by the District Foresters.</p>
<p><b>C2.2. Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.</b></p> <p><i>Applicability Note: For the planning and management of publicly owned forests, the local community is defined as all residents and property owners of the relevant jurisdiction.</i></p>	C	
<p>2.2.a. The forest owner or manager allows legal and customary rights to the extent that they are consistent with the conservation of the forest resource and the objectives stated in the management plan.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Hiking, hunting, and fishing on non-posted property.</i></li> <li>• <i>Visiting ancestral gravesites.</i></li> </ul>	C	<p>Community legal and customary rights on Classified Forest Program properties could include County roads and ditches and County drainage tile lines.</p> <p>Hunting is by written or verbal permission and the land doesn't need to be posted for trespass to occur.</p> <p>The team concluded that most landowners likely allow legal and customary rights, as defined by the FSC Regional Standards. The team also expects that the need to allow legal and customary rights will be explained to potential group members.</p>
<p>2.2.b. On ownerships where customary use rights or traditional and cultural areas/sites exist, forest owners or managers consult with concerned groups in the planning and implementation of forest management activities.</p>	C	<p>As with 2.2.a, the team assumes that the Division of Forestry will explain the need to allow legal and customary uses, and to consult with parties as warranted, will be a condition of group membership.</p>
<p><b>C2.3. Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.</b></p>	C	
<p>2.3.a. The forest owner or manager maintains relations with community stakeholders to identify disputes while still in their early stages. If disputes arise, the forest owner or manager initially attempts to resolve them through open communication, negotiation, and/or mediation. If</p>	C	<p>Stakeholder consultation did not reveal any disputes with individual landowners. Many stakeholders expressed differences of opinion with some aspects of DNR or Division of Forestry policies, but none appeared to rise to the level of a dispute.</p>

negotiation fails, existing local, state, Federal, and tribal laws are employed to resolve claims of land tenure (see Glossary).		
2.3.b. The forest owner or manager provides information to the certification body regarding unresolved and/or ongoing disputes over tenure and use-rights.	C	None identified and none likely.
<p><b>P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</b></p> <p><i>Applicability Note: Under Principle 3, the terms "tribes," "tribal," or "American Indian groups" include all indigenous peoples in the U.S., groups or individuals, who may be organized in recognized or unrecognized tribes, bands, nations, native corporations, or other native groups.</i></p>		
<b>C3.1. Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.</b>	N/A	
<p>3.1.a. On tribal lands, forest management and planning includes a process for input by tribal members in accordance with their laws and customs.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Forest owners or managers utilize tribal experience, knowledge, practices, and insights in forest management planning and operations on tribal lands when requested to do so by the tribal landowner.</i></li> </ul>	N/A	Tribal enterprises are known to be buying land in Indiana, and these properties <u>may</u> be enrolled in the Classified Forest Program. Tribal enterprise lands would be subject to the requirements found in Principle 3 that relate to tribal lands. The team recommends that the Division of Forestry screen their Classified Forest Program database for lands owned by tribal enterprises and see what processes exist. If such lands are found, we fully expect that the Division of Forestry will take all steps necessary to ensure compliance with relevant aspects of Principle 3 (see <b>REC 2009.4</b> ).
<p>3.1.b. Forest management on tribal lands is delegated or implemented by an authorized tribal governing body.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>A tribal body that is either elected or based on hereditary appointment authorizes the forest management operations.</i></li> <li>• <i>Documents verify the authority of the tribal body.</i></li> </ul>	N/A	At the time of the audit the Division of Forestry was not aware of any lands owned by Tribal enterprises that were enrolled in the Classified Forest Program. <b>(Note: Following the initial audit, the Division of Forestry found that there were potentially a small number of properties enrolled in the Classified Forest Program that are owned by Tribal enterprises (pers. comm. B. Huter, Division of Forestry). This was, however, after the team had completed its deliberations; during the follow-up audit, the Division of Forestry concluded that there were approximately 2 parcels that appear to be owned by Tribal enterprises)</b>
<b>C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</b>	N/A	
3.2.a. Forest owners or managers identify and contact American Indian groups that have customary use rights or other legal rights to the management area and invite their participation in the forest planning processes, appropriate to the scale and intensity of the operation. (see also Criterion 4.4.)	N/A	
3.2.b. Steps are taken during the forest management planning process and implementation to protect tribal resources that may be directly affected by certified operations such as adjacent lands, bodies of water, critical habitats, and riparian corridors as well as other resource uses such as rights to hunt, fish, or gather.	N/A	
<b>C3.3. Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</b>	C	(see <b>Major CAR 2008.4 [CLOSED]</b> )
3.3.a. Forest owners or managers make systematic efforts to	C	It is understood that it may be unlikely that Native

<p>identify areas of cultural, historical, and/or religious significance. They invite participation of tribal representatives (or other appropriate persons, where tribal entities are lacking) in the identification of current or traditionally significant sites within the forest proposed for certification.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Such efforts include surveying, recording, assessment, establishment, and use of special use and protected areas when and where they are mandated by treaty rights.</i></li> <li>• <i>Forest owners or managers check existing heritage and cultural databases.</i></li> <li>• <i>Areas of cultural, historical, and religious significance as well as areas of traditional use, are documented by authorized tribal leaders or their designated representatives.</i></li> </ul> <p><i>For example, areas of special significance may include:</i></p> <ul style="list-style-type: none"> <li>• <i>Ceremonial, burial, or village sites;</i></li> <li>• <i>Areas used for hunting, fishing, or trapping;</i></li> <li>• <i>Current gathering areas for culturally important or ceremonial materials, such as Basket materials, medicinal plants, or plants used in dances;</i></li> <li>• <i>Current gathering areas for subsistence uses, such as mushrooms, berries, acorns, etc.</i></li> </ul>		<p>American Tribes retain cultural ties to lands with Indiana that are enrolled in the Classified Forest Program. Nonetheless, the indicator requires systematic efforts to identify areas of cultural, historic, or religious significance, as well as consultation with tribal entities in identifying such areas, if any. The team notes that on similar certifications diligent efforts have found that there are tribal entities with ties to properties where certification is sought.</p> <p>The Division of Forestry has not made efforts to identify sites of special cultural, ecological, or religious significance to indigenous peoples on Classified Forest Program properties (see <b>Major CAR 2008.4 [CLOSED]</b>). (Note: The Division of Forestry now has protocols in place for identifying and conserving sites of special cultural, ecological, or religious significance to indigenous people; The Division has sent consultation letters to 16 entities with some form of Tribal affiliation)</p>
<p>3.3.b. Forest owners and managers consult with tribal leaders (or other appropriate persons, where tribal entities are lacking) to develop mechanisms that ensure forest management operations protect from damage or interference those areas described in 3.3.a. and incorporate these special places into forest management and operational plans.</p>	N/A	<p>May apply in the future based on 3.3.a consultation (see <b>Major CAR 2008.4 [CLOSED]</b>). (Note: Consultation with Tribal representatives has not resulted in the identification of additional sites where protection measures are warranted)</p>
<p>3.3.c. Confidentiality of disclosures is maintained in keeping with applicable laws and the requirements of tribal representatives.</p>	N/A	<p>May apply in the future based on 3.3.a consultation (see <b>Major CAR 2008.4 [CLOSED]</b>). (Note: See above)</p>
<p><b>C3.4. Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.</b></p>	N/A	<p>Would only apply to commercial application of traditional knowledge and no examples of this are believed to exist on Classified Forest Program properties.</p>
<p>3.4.a. Forest owners or managers respect the confidentiality of tribal knowledge and assist in the protection of tribal intellectual property rights.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>When traditional ecological knowledge is requested for use in forest management, protocols are jointly developed with local tribes to protect the intellectual property rights of those tribes.</i></li> </ul>	N/A	
<p>3.4.b. A written agreement is reached with individual American Indians and/or tribes prior to commercialization of their indigenous intellectual property, traditional knowledge, and/or forest resources. The individuals and/or tribes are compensated when such commercialization takes place.</p>	N/A	

<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	
<p>4.1.a. Opportunities for employment, contracting, procurement, processing, and training are as good for non-local service providers as they are for local service providers doing similar work.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• Forest owners or managers give local goods and service providers an equal opportunity to bid on all contracts and services.</li> <li>• Timber sales are offered in quantities and intervals that allow participation by local companies of all sizes.</li> <li>• Forest owners or managers utilize qualified local employees and contractors.</li> </ul>	C	<p>The vast majority of forestry workers in Indiana or local workers and a great deal of value-added manufacturing occurs within the State. The Division of Forestry does not believe that H2B workers are employed in Indiana, although the team notes that attention is being paid to Hispanic employment in the forest products industry. The Division of Forestry must remain engaged in these discussions and take appropriate steps to ensure compliance with relevant aspects of Principle 4 should they become aware of non-local worker hiring on group member properties. Compliance with P&amp;C 4.1 must also be a condition of group membership.</p>
<p>4.1.b. Forest work is packaged and offered in ways that create quality work opportunities for employees, contractors, and their workers.</p> <p><i>For example, quality work can include, the following attributes:</i></p> <ul style="list-style-type: none"> <li>• Employee and contractor relationships that are long term and stable;</li> <li>• A mixture of diverse tasks that require varying skill levels;</li> <li>• Opportunities for employees to advance;</li> <li>• A comprehensive package of benefits;</li> <li>• Opportunities for employee and contractor participation in decision-making;</li> <li>• Employment conditions (e.g., remuneration, benefits, safety equipment, training, and workman's compensation) are as good for non-local workers as they are for local workers doing the same job;</li> <li>• Forest owners or managers provide and/or support training opportunities for workers to improve their skills.</li> </ul>	C	<p>It was difficult for the team to audit conformance with this indicator at the contractor level, as only a few were interviewed in the field or during stakeholder consultation. That said, it appeared that work opportunities were the relatively standard arrangement and that logging contractors were generally satisfied with harvesting opportunities on Classified Forest Program lands. The requirements of Principle 4 must be explained to the Indiana logging community that works on Classified Forest Program and that group managers must take steps to ensure compliance with this indicator as the group is formed.</p> <p>The team's sense is that the pay range for District Foresters is on the low end for the profession on a national scale. Given that the majority of the District Foresters will be facing retirement in the relatively near future, we have some concerns about the Division's ability to attract high-quality candidates as openings occur. That said, the younger employees that do work for the Division express satisfaction with their work experience.</p> <p>The team notes the Division's positive record for providing in-house training opportunities and its support for professional conference attendance. District Foresters, for example, pointed out the value of recent training that they had received in house to use the GIS to screen the recently-acquired Nature Preserves database.</p>
<p>4.1.c. Forest owners or managers contribute to public education about forestry practices.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• The forest is offered as a training and/or educational resource for local people in conjunction with schools, community colleges, and/or other providers of training and education.</li> </ul>	C	<p>The Division of Forestry is actively engaged in public education about forestry practices, as evidenced by their website, printed brochures, and District Foresters participation in field days. We also note that there are 17 demonstration forests on Classified Forest Program lands.</p>
<p>4.1.d. Forest owners or managers participate and invest in the local economy and civic activities.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• Forest owners or managers participate in fund-raisers, field days, and local forestry committees.</li> </ul>	C	<p>Some owners provide land for demonstration forests or field days, although active engagement in this area is not expected in the certification of small, private lands. The team notes that logging contractors, consulting foresters, and industry foresters undoubtedly procure goods locally (an investment in the local economy) and engage in civic</p>

<ul style="list-style-type: none"> <li>Facilities and equipment are regularly maintained and updated.</li> <li>Out-of-area owners maintain a local office.</li> <li>The forest owner or manager supports local business development by working with organizations, such as chambers of commerce.</li> </ul>		<p>activities. As group managers, and with an important role in certain management activities, we note that the Division of Forestry plays an important role in the local economy and civic activities. The effort to form an FSC group from the Classified Forest Program is seen as a focused effort to support the local economy.</p>
<p>4.1.e. Employee compensation and hiring practices meet or exceed the prevailing local norms for work within the forest industry that requires equivalent education, skills, and experience.</p>	C	<p>Benchmark studies were not performed, but the team's expectation is that compensation and hiring practices fall with the regional the norm. We note again, however, the apparently low pay range for District Foresters and even senior Division staff. Our conclusion was that observed pay ranges are within the norm for comparable State employees in Indiana, but are likely on the low end on a national scale.</p>
<p>4.1.f. Forest owners or managers assure that contractors, subcontractors, intermediaries, and persons hired by them are covered and protected by all state and Federal labor laws regarding discrimination, wages, benefits, and other conditions of employment.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>Contracts contain clauses specific to legal coverage and protection.</li> <li>Owners and managers monitor compliance with laws.</li> <li>Employees are not discriminated against because of gender, race, religion, age, or disability.</li> </ul>	C	<p>The Division of Forestry provides landowners with model contracts that address some of the requirements of the indicator. Landowners, however, are not required to use model contracts and it appeared that some harvests took place without a formal contract. (see <b>Major CARs [all CLOSED]</b> related to Principle 1 and compliance with applicable laws and regulations).</p>
<p><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></p>	C	<p>(see <b>Major CAR 2008.5 [CLOSED]</b>)</p>
<p>4.2.a. The forest owner or manager and their contractors develop and implement safety programs and procedures.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>Machinery and equipment are well-maintained and safe.</li> <li>Safety equipment appropriate to each task is used.</li> <li>Safety procedures are documented and posted in the workplace.</li> <li>Education in safety is offered (such as Forest Industry Safety Training Alliance and Game of Logging) .</li> <li>Contracts include safety requirements.</li> <li>For employees, safety records, training reports, and certificates are maintained.</li> </ul>	C	<p>As group managers, the Division of Forestry will need to ensure that safety programs are in place for all harvest operations and other management activities on group member properties (see <b>Major CAR 2008.5 [CLOSED]</b>). We note that at the current time, the Division of Forestry does not have any involvement in harvest activities and has no way of assuring that adequate safety programs and procedures are in place. (Note: As previously described, the District Foresters will now visit harvest operations for a pre-harvest conference, at least one visit during operations, and for a post-harvest inspection; safety will be emphasized during the pre-harvest conference and District Foresters will record instances were operations appear to be out of compliance with safety requirements)</p> <p>Logger training is available in Indiana, but at the present time it is not mandatory. The team understands, as well, that the Division has not made such training a mandatory requirement for logging contractors to work on Classified Forest Program properties, should certification be awarded.</p> <p>The team notes the Division's support of logger training and its intent to improve opportunities for additional training.</p>
<p><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></p> <p><i>Applicability Note: This Criterion is guided by FSC guidelines on ILO Conventions</i> (<a href="http://www.fsc.org/en/whats_new/documents/Docs_cent/2">http://www.fsc.org/en/whats_new/documents/Docs_cent/2</a>)</p>	C	

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4.3.a. Forest workers are free to associate with other workers for the purpose of advocating for their own employment interests.	C	State workers don't have a union, but they can associate for the purposes of advocating for their employment interests.  As need arises, the Division of Forestry shall make logging contractors and other employers aware of the requirements of P&C 4.3 as it relates to working on Classified Forest Program properties enrolled in the group.
4.3.b. Forest owners or managers and their contractors develop effective and culturally sensitive mechanisms to resolve disputes between workers and management.  <i>Examples of culturally sensitive mechanisms are:</i> <ul style="list-style-type: none"> <li>• Translation and cultural interpretation, when needed;</li> <li>• Cross-cultural training, when needed, to integrate the workforce.</li> </ul>	C	The Division of Forestry has held a series of public meetings to explain the structure and purpose of the FSC group; District Foresters are available to hear disputes concerning group management and Central Office staff are available, should the need arise, to follow-up with landowners; as part of the opt-out process, evidence was provided indicating that landowners had received written and verbal responses to questions and comments from District Foresters and the Classified Forests Program Manager
<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>  <i>Applicability Note: People and groups directly affected by management operations may include: employees and contractors of the landowner, neighbors, fishers, hunters and gatherers, recreationalists, water users, and forest products processors.</i>	C	
4.4.a. On lands with multiple owners, a process is provided that assures the opportunity for fair and reasonable input from the landowners and/or shareholders.	C	The Division of Forestry must provide group members, logging contractors, and professional foresters opportunity for fair and reasonable input regarding the management of the FSC group.
4.4.b. Input is sought in identifying significant sites of archaeological, cultural, historical, or community importance, that are to be designated as special management zones or otherwise protected during operations.  <i>For example:</i> <ul style="list-style-type: none"> <li>• State archeological offices, universities, and local experts have been consulted to identify known areas and develop protection plans.</li> </ul>	C	The Division of Forestry has made some effort to address significant sites of archaeological, cultural, historic, or community importance, as evidenced by their inclusion in certain management plans. Based on interviews with DNR staff in Indianapolis, however, it is apparent that the Division has access to in-house information concerning the known and potential location of historical and archaeological resources that should be accessed or included in management plans (see <b>Major CAR 2008.4 [CLOSED]</b> ).
4.4.c. Viewpoints and feedback are solicited from people and groups directly affected by forest management operations and its associated environmental and aesthetic effects (e.g., logging, burning, spraying, and traffic). Significant concerns are addressed in management policies and plans.	C	This is usually addressed by the landowner or the party engaging in the management activity (i.e., logging contractor; consulting forester), although some District Forester noted their efforts to work with adjacent landowners when they were aware of an ongoing harvest operation. We assume that ensuring future compliance with this indicator will be part of the controlling protocols for group management.
4.4.d. Forest owners or managers of large and mid-sized (see Glossary) forests provide opportunities for people directly affected by management operations to provide input into management planning.	C	This doesn't apply at the parcel level, but it may be relevant at the group level. As noted above, opportunities for direct involvement of people affected by management of the FSC group – landowners, consulting/industry foresters, and loggers – must be assured by the Division of Forestry. We note that the Division will be sending out a newsletter to potential group members and some discussion has been held concerning the benefits of regional public meetings to solicit stakeholder input on the FSC group. (Note: Following the initial evaluation the Division of Forestry mailed out information regarding the

		FSC group, including options for opting out of the program, and held a series of public meetings; additional newsletters are sent out at regular intervals)
4.4.e. For public forests, consultation will include the following components:  <i>Note: 'The public' includes people and groups directly affected by management operations and all citizens of the relevant jurisdiction.</i>  <i>Applicability Note: For the purposes of indicator 4.4.e each numbered component should be scored separately.</i>	C	
1. Legislative and historical mandates are included in the plan, and provisions are made for their accomplishment.  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Legal mandates are carried out.</i></li> </ul>	C	The Division of Forestry must clarify how legislative mandates apply to the FSC group (e.g., does the State have the authority to require logger training on FSC-certified lands) and take appropriate steps to ensure compliance, where necessary.
2. Clearly defined and accessible methods for public participation are provided in both the strategic (long-range) and tactical (short-range) planning processes, including initial adoption and subsequent amendments.  <i>Applicability Note: Strategic plans may be very general. Tactical plans are specific and describe candidate stands for proposed silvicultural activities.</i>  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Administrative rules or other documentation are provided for public input.</i></li> <li>• <i>Some routine activities with little or no environmental impact that appear unlikely to solicit input may be exempted from the procedures of public notification and comment. Examples of such activities include, but are not limited to:</i> <ol style="list-style-type: none"> <li>1. <i>Maintaining existing buildings or structures</i></li> <li>2. <i>Maintaining existing permanent roads or trails</i></li> <li>3. <i>Maintaining existing open-land areas (e.g., mowing grass)</i></li> <li>4. <i>Minor changes to tactical plans (e.g., small changes to areas affected)</i></li> </ol> </li> <li>• <i>Public agencies solicit public input as early as practicable into the process.</i></li> </ul>	C	We note that the Division is preparing documents regarding group enrollment and management that will clarify methods for public participation in the group management process. (Note: These documents have been prepared and sent to landowners)
3. Public notification is sufficient to allow interested citizens of the affected jurisdiction and/or other people and groups directly affected by management operations the chance to learn of upcoming opportunities for public review and/or comment on the proposed management.	C	The State has a system for public review in place and we note the Division's plans for notifying the affected public concerning the formation and management of an FSC group based on the Classified Forest Program.
4. The final planning decisions are based on legal mandate, public input, credible scientific analysis, and the productive capacity of the land and are made by professional employees, hired by the public, or other legally authorized parties.  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Evidence of how public comments are considered is provided.</i></li> </ul>	C	The Division of Forestry has a track record for making final planning decisions based on legal requirements, public input, and scientific analysis.
5. An accessible and affordable appeals process to planning decisions is available.	C	The Division must have clearly defined appeals processes as part of their FSC group management documentation.

<i>Note: FSC certification does not preclude any individual or group from seeking legislative or judicial relief.</i>		
<p><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></p> <p><i>Applicability Note: Provisions of Criterion 4.5. do not evoke protections or liabilities beyond those provided by Federal, state, and local laws.</i></p>	C	
4.5.a. The forest owner or manager attempts to resolve grievances and mitigate damage resulting from forest management activities through open communication and negotiation prior to legal action.	C	The Division must have clearly defined processes for dealing with grievances as part of their FSC group management documentation. We note, as well, that District Foresters directly interact with landowners when they become aware of a dispute.
4.5.b. Forest owners or managers and their contractors have adequate liability insurance.	C	This must be a condition for working on group member properties that the Division of Forestry will require.
<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>		
<p><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></p>	C	
5.1.a. The forest owner or manager is willing and able to support long-term forest management (i.e., decades rather than quarter-years or years), such as planning, inventory, resource protection, and post-harvest management activities.	C	<p>Landownership in the Classified Forest Program tends to be longer term than the average and the intent of the program is the retention of forestlands.</p> <p>The Division of Forestry has the resources to carry on long-term group management.</p>
5.1.b. Responses (such as increases in harvests or debt load) to short-term financial factors (such as market fluctuations and sawmill supply requirements) are limited to levels that enable fulfillment of the management plan.	C	During the site visits, some examples of individual landowners cutting harder for family expenses were observed. No real examples of liquidation harvesting, however, were encountered. Overall, the trend appeared to be retention of well-stocked stands and modest harvest levels. We note that the Classified Forest Program has requirements for maintaining certain stocking levels.
<p>5.1.c. Investment and/or reinvestment in forest management are sufficient to fulfill management objectives and maintain and/or restore forest health and productivity.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li><i>Investments have been made in forest stand improvement activities and information systems.</i></li> <li><i>Forest conditions confirm that investments are adequate.</i></li> </ul>	NC	<p>Many landowners don't appear to consistently invest in timber stand improvement (TSI), even when recommended in the management plan. In addition, management objectives tend to be vague in many management plans. Although stands rapidly regenerate following harvest, there appears to be little direct attention given to influencing the species composition of regeneration.</p> <p>As group managers, the Division of Forestry will need to reinvest in the forest by motivating the landowner to reinvest in things like TSI. We recognize that many District Foresters attempt to do this, but find it difficult to accomplish. The Division of Forestry will have to revitalize its efforts to motivate landowners to follow through on management plan recommendations through additional training and potentially financial incentives. The Division of Forestry may also need to hire more staff to implement FSC group management requirements.</p> <p>To ensure compliance with this indicator, the Division of Forestry will have to take steps to ensure that adequate</p>

		investment in the forest is made and directed toward reaching the desired future condition of forest (see <b>Minor CAR 2009.4</b> ).
<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	
5.2.a. Opportunities are given to local, financially competitive, value-added processing and manufacturing facilities.  <i>For example:</i> <ul style="list-style-type: none"> <li><i>The technical and financial specifications of some sales of forest products are scaled to allow successful competition by small businesses.</i></li> </ul>	C	Most wood is sold locally, although some goes out of the region or is sold overseas.  The team recognizes that a primary motivation for forming an FSC group is to provide local opportunities for value-added processing and manufacturing.
5.2.b. When non-timber products are harvested, the management and use of those products is incorporated into the management plan.	C	At the present time it does not appear that management plans focus much on NTFPs and their volumes are not tracked. We assume that the Division of Forestry will address NTFP as part of its FSC group management process for those landowners who seek to eventually sell FSC-certified NTFPs, such as maple syrup, botanicals (e.g., ginseng, goldenseal), and mushrooms.
5.2.c. New markets are explored for products from common but underutilized forest species.	C	The Division of Forestry is strongly promoting markets for FSC-certified products and is investigating the potential linkage between FSC-certified lands and carbon sequestration markets.
<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	
5.3.a. Adequate quantities and a diversity of size classes of woody debris (considered a reinvestment of biological capital under this criterion—not an economic waste) are left on the forest floor to maintain ecosystem functions, wildlife habitats, and future forest productivity.	C	Stands that were visited had adequate quantities and sizes of downed woody debris and standing snags. Given poor pulp markets, a common TSI practice is to girdle trees, which have value as standing snags and then additional value when they fall to the ground as downed woody debris.  With many forests being in a mature condition, tops left in the woods following harvesting leave an abundant supply of downed woody debris in a range of size classes.
5.3.b. The loss and/or waste of merchantable forest products is minimized.  <i>For example:</i> <ul style="list-style-type: none"> <li><i>Harvested products are handled to minimize potential loss in value.</i></li> <li><i>Waste from on-site processing facilities (e.g., portable sawmills) is minimized and used as an input into a productive process.</i></li> </ul>	C	Given the value of most hardwood logs, there is a regional tendency to maximize the economic value of logs that are harvested.
5.3.c. Harvest practices minimize residual stand damage.  <i>For example:</i> <ul style="list-style-type: none"> <li><i>Soil compaction, rutting, and erosion are minimized.</i></li> <li><i>Provisions that define acceptable levels of residual damage are included in operational contracts.</i></li> <li><i>Low-impact logging techniques are used.</i></li> <li><i>Non-timber forest products are protected from damage by management activities.</i></li> <li><i>Bumper trees are utilized and equipment is selected and used in a way that minimizes unintentional damage to residual trees.</i></li> </ul>	C	Many harvests that were observed, particularly in the southern regions, were very light (i.e., single tree and small group selection) with minimal stand damage. Some harvests, however, were moderate to heavy and some damage from using trees as bumpers, improper felling, and rutting damage were observed.  With an FSC group, the team expects that excessive residual stand damage will be addressed through logger training and more oversight by the Division of Forestry of harvest operations.

<p><b>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b></p>	C	
<p>5.4.a. Forest management diversifies forest uses and products, while maintaining forest composition, structures, and functions.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Compatible uses may include recreation, ecotourism, hunting, fishing, and specialty products.</i></li> </ul>	C	<p>Most Classified Forest Program properties are family forest parcels used for hunting and other forms of recreation. For many owners, timber production is not the primary goal of land ownership.</p> <p>The team notes that the Division of Forestry’s pursuit of FSC certification and its interest in carbon sequestration markets has a positive bearing on this indicator.</p>
<p><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></p> <p><i>The Working Group considers that this criterion is sufficiently explicit and measurable, so does not require indicators.</i></p>	C	<p>The team recognizes that a primary purpose of the Classified Forest Program is maintaining forest cover, which enhances forest services and resources.</p>
<p><b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b></p>	C	
<p>5.6.a. The sustainability of harvest levels is based on growth and regeneration data, site index models, soil classification, and/or desired future conditions. The required level of documentation is determined by the scale and intensity of the operation.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Stocking rates, growth rates, and removal volumes conform to projections of the long-term written management plan.</i></li> <li>• <i>The age-class distribution (see Glossary) required for a sustainable-yield volume is justified by data.</i></li> </ul>	C	<p>At the parcel level, the team would not expect to see much quantitative data or analyses related to harvest levels, as it would not be cost-effective for the individual landowners.</p> <p>At the group level, the Division of Forestry produced an October 8, 2008, Volume and Growth of Classified Forest and Wildlands Program Lands memo that addressed harvest rates for all Classified Forest Program properties. These analyses documented that current harvest rates at the landscape level appear to be sustainable.</p> <p>Low intensity harvest rates were observed on most parcels.</p> <p>We support the move toward the “desired future condition” concept and note that more attention to appropriate regeneration monitoring at the landscape level may be warranted.</p>
<p>5.6.b. After the species composition and the age-class (see Glossary) distribution commensurate with long-term sustainability have been achieved, harvest and growth records demonstrate that the volume harvested during any 10-year span is less than the net growth accumulated over that same period. Exceptions to this constraint may be granted to forest owners or managers whose periodic cycle of re-entry is longer than 10 years. In such cases, allowable harvest is determined by examining the volume of re-growth and removal since the previous harvest and the forest owner or manager’s commitment to allow an equivalent amount of re-growth before additional harvests.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Rapid growth rates in younger forests are not used as the sole justification for the harvest of slower-growing, older forests.</i></li> </ul>	C	<p>As previously noted, the Division of Forestry’s recent analysis documents that growth rates exceed harvest rates at the landscape level. At the parcel level, many properties are lightly harvested on cycles that are generally more than 10 years.</p>
<p>5.6.c. If rates of harvest are temporarily accelerated to compensate for or prevent unacceptable mortality, or in cases of salvage operations (see Indicator 6.3.c.4), the rate of future harvest is recalculated accordingly to meet desired future conditions, and the adjusted rate of harvest is</p>	C	<p>The team concludes that this indicator is less relevant at the parcel level for the small, privately-owned forests that are typically enrolled in the Classified Forest Program. During the site visit several examples of salvage harvest operations were observed and we would expect these to be</p>

implemented within three years of the temporary acceleration.		recorded in updates to the management plan for the property.
<b>P6 Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</b>		
<b>C6.1. Assessments of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.</b>  <i>Applicability Note: Small forest owners or managers who practice low intensity forestry may meet this requirement with brief, informal assessments. More extensive and detailed assessments (e.g., formal assessments by scientists) are expected by large forest owners or managers and/or those who practice more intensive forestry management (see Glossary).</i>	NC	The Division of Forestry has no control over harvest operations and Classified Forest Program regulations do not require a pre-harvest environmental impact assessment. The Division of Forestry, as group managers, will need to ensure that such assessments, appropriate to the scale and intensity of operations, are completed prior to harvest operations (see <b>Major CAR 2008.6 [CLOSED]</b> ).
6.1.a. Using credible scientific analyses and local expertise, an assessment of current conditions is completed to include: <ul style="list-style-type: none"> <li>• Disturbance regimes and successional pathways;</li> <li>• Unique, vulnerable, rare, and threatened communities;</li> <li>• Common plants, animals, and their habitats;</li> <li>• Sensitive, threatened, and endangered species and their habitats;</li> <li>• Water resources; and</li> <li>• Soil resources (see also Indicators 7.1.a and b).</li> </ul>	NC	Parcel level management plans typically contain very general descriptions of current conditions, although notable exceptions were observed. The team concludes that more attention needs to be paid to how current conditions will be assessed and described in management plans, appropriate to the scale and intensity of operations (see <b>Minor CAR 2009.5</b> ). We note, however, that the revised draft management plan template shows progress toward this goal and takes the further step of linking current forest conditions with management recommendations to achieve desired future conditions. The Division of Forestry will have to ensure that all District Foresters receive the proper training to ensure consistency among management plans.  The team notes that some elements of this indicator could be addressed at the group level by DNR and Division of Forestry in-house experts.
6.1.b. Using available science and local expertise, the current ecological conditions are compared to both the historical conditions and desired future conditions within the landscape context. This comparison is done by employing the baseline factors identified in 6.1.a.	NC	As noted above, better attention should be given to achieving desired future conditions at landscape and parcel levels (see <b>Minor CAR 2009.5</b> ).
6.1.c. Prior to the commencement of management activities, potential short-term environmental impacts and their cumulative effects are evaluated.	NC	Based on our site visits, our conclusion is that pre-harvest environmental impacts are addressed on a cursory basis by consulting or industry foresters, when used on a job, or (more commonly) by the logging contractor. As group managers, the Division of Forestry will have to develop a process for ensuring that short-term environmental impacts are addressed and mitigated where possible prior to harvest operations (see <b>Minor CAR 2009.6</b> ). The team recognizes that such assessments should be scaled to the size and intensity of operations and could take the form of an expanded set of best management practices.
6.1.d. Using assessments derived from the above information, management options are developed and implemented to achieve the long-term desired future conditions and ecological functions of the forest (see also Criterion 7.1).	NC	See 6.1.c and <b>Minor CAR 2009.6</b> .

<p><b>C 6.2. Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping, and collecting shall be controlled.</b></p>	<p>C</p>	<p>The Division of Forestry has been actively collaborating with the DNR's Nature Preserves Program and has access to the Natural Heritage database that records known examples of rare plants, natural communities, and animals. District Foresters have received training in the use of this database and, while very appreciative of the training, many report the need for additional training in using the GIS and the related database.</p> <p>Indiana's Natural Heritage database is founded on systematic inventories by professional ecologists. According to Nature Preserves staff, the data are based on relatively comprehensive, state-wide inventories. This information, for the most part, can be used to satisfy the requirements of P&amp;C 6.2. Further evidence that it is effectively being applied to Classified Forest Program properties, however, is warranted (see <b>Major CAR 2008.7 [CLOSED]</b>).</p> <p>The team notes that some records in the Natural Heritage database are relatively old and we assume that there will be some process for periodically confirming the existence of such features, perhaps as 10-year management plans are re-written. We further note that some rare species likely remain undiscovered and we expect that District Foresters will continue to receive training that would allow them to recognize stands that are either rare natural communities, in themselves, or likely to harbor rare plants or animals.</p>
<p>6.2.a. Although species that are state and/or Federally listed as threatened, endangered, of special concern, or sensitive, and their habitats are identified, their specific locations remain confidential.</p> <p><i>Note: On public forests and large private forests, the general locations of state and/or Federally listed as threatened, endangered, of special concern, or sensitive species are made available to the public.</i></p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>The forest owner or manager has contacted the state natural heritage program (or its equivalent) to obtain a list of listed species and their habitat or community type to document their presence or potential presence.</i></li> <li>• <i>An on-the-ground survey for listed species has been conducted.</i></li> <li>• <i>The locations of such species are mapped.</i></li> <li>• <i>Management plans provide descriptions of activities appropriate for maintaining such species' habitat(s).</i></li> <li>• <i>Management activities are compatible with endangered species recovery plans and/or habitat conservation plans.</i></li> <li>• <i>Evidence of communication and/or collaboration with relevant experts is demonstrated.</i></li> <li>• <i>The forest owner or manager participates in programs to protect listed species.</i></li> <li>• <i>Forestry staff receives training in the identification of listed species and their habitat requirements.</i></li> </ul>	<p>C</p>	<p>The Nature Preserve Program is working with the Division of Forestry to ensure that the appropriate level of confidentiality will be maintained regarding use of the Natural Heritage database.</p> <p>The team notes the reference in the indicator to forestry staff receiving training in the identification of listed species and their habitat requirements. We further note that many District Foresters indicated that they appreciated training received to date and would welcome additional training in this regard.</p>
<p>6.2.b. If scientific data indicate the likely presence of state and/or Federally listed as threatened, endangered, of special concern, or sensitive populations, either new surveys are carried out before field-management activities begin or the</p>	<p>C</p>	<p>District Foresters have just started using the Natural Heritage database so there is no track record of its use or of amending management plans to account for rare species. The team recognizes, however, that some management</p>

forest owner or manager assumes their presence and makes appropriate modifications in forest management.		plans made reference to rare species. As previously noted, the Division of Forestry currently has no involvement in harvest operations, so it can't assure compliance with this indicator at the present time. As group managers, the Division of Forestry will have to take measures to ensure that consulting/industry foresters and/or loggers take steps – appropriate to the scale and intensity of operations – to address the requirements of this indicator when available data indicate the presence of a rare species or natural community (see <b>Minor CAR 2009.7</b> ).
6.2.c. For management planning purposes, forest owners or managers of publicly owned and large privately owned forests use, participate in, or carry out on-the-ground assessments for the occurrence of state and/or Federally listed as threatened, endangered, of special concern, or sensitive species.  <i>For example:</i> <ul style="list-style-type: none"> <li>The forest owner or manager uses an appropriate survey for listed species.</li> </ul>	N/A	
6.2.d. Where they have been identified, state and/or Federally listed as threatened, endangered, of special concern, or sensitive species and their habitats are maintained and/or restored. Multiple-use management activities are acceptable, where the law allows, in these species' habitat areas to the extent that they are compatible with maintenance and restoration of the species.  <i>For example:</i> <ul style="list-style-type: none"> <li>Within the context of existing landscape and ownership patterns, conservation zones for listed species and other protected areas are arranged to enhance the viability of habitats, including their connectivity.</li> </ul>	NC	See <b>Minor CAR 2009.8</b>
6.2.e. If a state and/or Federally listed as threatened, endangered, of special concern, or sensitive species is determined to be present, its location is reported to the manager of the species' database.	C	The team assumes, based on interviews with staff that the Nature Preserves program is working with the Division of Forestry to provide direction to District Foresters regarding protocols for new locations of listed species.
<b>C6.3. Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem.</b>	C	
<b>C6.3.a. Forest regeneration and succession</b>  <i>Applicability Note: Indicators 6.3.a.1. through 6.3.a.4. are intended to be applied sequentially.</i>	C	
6.3.a.1. Forest owners or managers make management decisions using credible scientific information (e.g., site classification) and information on landscape patterns (e.g., land use/land cover, non-forest uses, habitat types); ecological characteristics of adjacent forested stands (e.g., age, productivity, health); species' requirements; and frequency, distribution, and intensity of natural disturbances.  <i>Applicability Note: This indicator may apply only marginally to managers of small and mid-sized forest properties because of their limited ability to coordinate their activities with other owners within the landscape or to significantly maintain and/or improve landscape-scale vegetative patterns.</i>	C	The team concludes that the Classified Forest Program properties conform to this indicator, generally due to their small size and generally light to moderate harvests. We note, too, that the program requires minimum stocking levels.

<p>6.3.a.2. Silvicultural practices encourage regeneration that moves the forest toward a desired future condition, consistent with information gathered in 6.3.a.1.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Native species suited to the site are selected for regeneration.</i></li> <li>• <i>Within five years of a regeneration harvest, adequate regeneration exists to move the stand toward desired future conditions. Exceptions are noted and documented.</i></li> </ul> <p><i>Note: Development of a forest that is capable of natural regeneration, based on desired future conditions, is encouraged.</i></p>	C	<p>Although light harvests are beneficial regarding some environmental indicators, when stand regeneration is a harvest objective removals that are too light may not result in adequate regeneration of desired species. The Division of Forestry is renewing a commitment to focusing on the desired future condition of stands when preparing or reviewing management plans. As part of this effort, additional attention should be given to the regeneration of stands as they relate to long-term desired future conditions (see <b>Minor CAR 2009.9</b>).</p>
<p>6.3.a.3. Measures are taken to ensure the retention of endemic and difficult-to-regenerate species.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Deer populations are controlled to enhance successful regeneration.</i></li> </ul>	C	<p>The team concludes that the Classified Forest Program conforms to this indicator generally due to the overall health of the canopy and the small size of the enrolled parcels. As previously noted, however, we have concerns for how adequate regeneration will be accomplished, with specific examples being observed related to oak regeneration, where typical harvest openings or treatment may not be adequate to regenerate these species.</p>
<p>6.3.a.4. Across the forest, or the landscape in which it is located, management actions lead to a distribution of successional stages, age classes, and community types appropriate to the scale and intensity of the operation and desired future conditions.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Large forests are managed so that large, contiguous, and interconnected patches of habitat are well distributed across the landscape, in such a way as to allow dispersal of species sensitive to fragmentation.</i></li> <li>• <i>Within a context of liability and public safety, large forests and public forests are managed to allow the occurrence of natural components, structures, and disturbance regimes.</i></li> </ul>	C	<p>The Classified Forest Program is specifically designed to ensure the retention of natural forest conditions. Overall, the team concludes that this indicator is met, while giving reference to earlier concerns regarding stand regeneration and desired long-term future conditions.</p>
<p>6.3.a.5. When even-aged management (see Glossary) is employed, live trees and native vegetation are retained within the harvest unit in a proportion and configuration that is consistent with the characteristic natural disturbance regime in each community type (see Glossary). Exceptions may be allowed when retention at a lower level is necessary for purposes of forest restoration and/or rehabilitation or to maintain community types that exist on the site (e.g., oak-hickory, jack pine). The level of retention increases proportionally to the size of the harvest unit.</p>	C	<p>Even-aged management, where it occurs, is applied on a small scale.</p>
<p><b>C6.3.b. Genetic, species, and ecosystem diversity</b></p>		
<p>6.3.b.1. Forest management conserves native plant and animal communities and species.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Declining trees and snags (see Glossary) are left in the forest.</i></li> <li>• <i>Vertical and horizontal structural complexity is maintained.</i></li> <li>• <i>Diversity of understory species is maintained.</i></li> <li>• <i>Well-distributed, large woody debris is maintained.</i></li> </ul>	C	<p>The Classified Forest Program has resulted in the retention of natural forests throughout the state.</p>

<ul style="list-style-type: none"> <li>Habitats and refugia for sedentary species and those with narrow or special habitat requirements are created and/or maintained.</li> <li>Artificial regeneration uses locally adapted seed and seedlings.</li> </ul>		
6.3.b.2. The forest owner or manager cooperates with local, state, and Federal agencies to protect and manage native plant and animal communities and species.	C	The DNR allows the coordination of forestry, wildlife, and natural heritage conservation objectives.
6.3.b.3. There is a consistent scientific method for selecting trees to plant, harvest and retain in order to preserve and/or enhance broad genetic and species diversity.  <i>For example:</i> <ul style="list-style-type: none"> <li>Phenotypic diversity is maintained, in accordance with desired future conditions.</li> </ul>	C	Girdling poorly formed trees. State nursery is starting to pay more attention to genetics, growth form, etc. Additional logger and forester training may be warranted regarding proper tree selection to achieve desired future conditions. As previously noted, the Division of Forestry will need to provide more oversight of harvest operations to ensure continued conformance to these and other related indicators.
6.3.b.4. Forest owners or managers maximize habitat connectivity to the extent possible at the landscape level (e.g., through an ecological classification system, at the subsection or land-type association level).  <i>For example, habitat connectivity is enhanced by:</i> <ul style="list-style-type: none"> <li>Creating habitat corridors and protecting riparian management zones (RMZs) (see Glossary) between habitats;</li> <li>Changes in harvest-patch block (see Glossary) sizes, harvest patterns, and land use changes to create connectivity among existing patches of habitat;</li> <li>Restoration plantings specifically to increase connectivity among existing patches of habitat.</li> </ul>	C	This is marginally applicable to the small, privately owned parcels in the Classified Forest Program and we note that a primary purpose of the program is the retention of natural forests throughout the state.
<b>C6.3.c. Natural cycles that affect the productivity of the forest ecosystem</b>	C	
6.3.c.1. Biological legacies of the forest community are retained at the forest and stand levels, consistent with the objectives of the management plan, including but not limited to: large live and declining trees, coarse dead wood, logs, snags, den trees, and soil organic matter.	C	Evidence was seen throughout the state during site visits of the retention of biological legacies.
6.3.c.2. Forest management practices maintain soil fertility and organic matter, especially in the A horizon, while minimizing soil erosion and compaction. If degradation of soil quality occurs, as indicated by declining fertility or forest health, forest owners or managers modify soil management techniques.  <i>For example:</i> <ul style="list-style-type: none"> <li>Primary management objectives shift from commercial production to restoration.</li> <li>Site preparation is minimized.</li> <li>Road system design and construction is upgraded.</li> <li>The lightest practical equipment with the lowest ground pressure is used.</li> <li>Whole-tree harvesting is discontinued, and tops are left in the forest.</li> <li>Longer rotations and a diversity of species are used in lieu of artificial fertilization.</li> <li>Processes of natural early succession are allowed or encouraged.</li> </ul>	C	The team concluded that there was conformance to this indicator predominantly in response to the small scale of operations on most properties and the tendency toward light to moderate harvests. Examples of failure to adequately follow BMPS was observed in some cases (see previous CARs and RECs), but none seemed to rise to the level of compromising soil fertility and stand productivity.  We once again note that the Division of Forestry currently has no involvement in harvest operations, which is seen as a gap with regards to implementing an FSC group certification effort (see previous comments). The team does recognize, however, that egregious examples of soil disturbance are not common and would likely be noted and addressed during 5-year re-inspections. (Note: See previous notes regarding a new program requiring multiple visits during harvest operations by District Foresters, as well as enhanced efforts related to BMP monitoring)
6.3.c.3. Forest management practices maintain or restore	C	The team notes that most aquatic ecosystems and wetlands

<p>aquatic ecosystems, wetlands (including peatlands, bogs, and vernal pools), and forested riparian areas (see also Criterion 6.5).</p>		<p>are separately protected under the Wildlands Program, a companion to the Classified Forest Program. Within forested environments, most operations seemed to avoid impacts to riparian areas and small wetlands. We note, however, that within an FSC group the need to conserve these resources must be reinforced with those parties involved in management operations (see previous CARs and RECs).</p>
<p>6.3.c.4. Responses (such as salvage) to catastrophic events (such as wildfire, blowdown, and epidemics) are limited by ecological constraints.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• Adequate coarse woody debris is maintained.</li> <li>• Adequate den trees and snags are maintained.</li> <li>• Endemic levels of 'pest' populations are allowed before pest control actions are carried out.</li> </ul>	C	<p>Many District Foresters described salvage events that they were aware of an all seemed to be on a small scale (i.e., individual trees or small groups of trees).</p>
<p><b>*C6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</b></p> <p><i>Applicability Notes:</i></p> <p><i>When forest management activities (including timber harvest) create and maintain conditions that emulate an intact, mature forest or other successional phases that may be under-represented in the landscape, the management system that created those conditions may be used to maintain them, and the area may be considered as a representative sample for the purposes of meeting this criterion.</i></p> <p><i>Ecologically viable representative samples are designated to serve one or more of three purposes: (1) to establish and/or maintain an ecological reference condition; (2) to create or maintain an under-represented ecological condition (e.g., successional phases of a forest type or natural community (see Glossary); and (3) to protect a feature that is sensitive, rare, or unique in the landscape. Areas serving the purposes of (1) and (2) may move across the landscape as under-represented conditions change, or may be fixed in area and managed to maintain the desired conditions. Areas serving the purposes of (3) are fixed in location.</i></p> <p><i>For managed forest communities in the Lake States, ecologically mature or late-successional phases (not including old growth) are generally under-represented and would qualify as representative sample areas under purposes 1 and 2. Tolerant or long-lived mid-tolerant species (e.g., white pine.) typically dominate such stands. Depending on the site and forest community, characteristics may include a well-developed understory flora, relative stability of species composition, multi-layered canopies, stable or declining live timber volume, live trees in upper quartile of expected diameter growth for the site, presence of recognized late-successional indicator species (such as certain mosses, lichens or other epiphytes), and accumulation of large snags and large downed woody material. Examples of classification</i></p>	C	<p>The team recognizes that small, privately owned forests aren't expected to bear the weight of maintaining representative sample areas (RSAs), as defined by the Regional Standards. Public lands and large, private holdings, instead, are expected to reserve such areas.</p> <p>Based on interviews with the Nature Preserve staff, the team concludes that analyses that they have conducted – resulting in the establishment of a network of publicly-owned Nature Preserves – likely addresses the needs for RSAs throughout the state. In addition, the Natural Heritage database likely identifies remaining areas – however unlikely – that might occur on Classified Forest Program properties that should be considered for potential RSA status. The Division of Forestry, however, has yet to conduct analyses related to the need for, and distribution of, RSAs in association with its proposed Classified Forest Program FSC group (see <b>Major CAR 2008.8 [CLOSED]</b>). (Note: See discussion under Major CAR 2008.8)</p>

<p>systems that include some of these concepts are: “Types of Old Growth Forests” as defined by Minnesota Department of Natural Resources (<a href="http://www.dnr.state.mn.us/forests/oldgrowth/types.html">http://www.dnr.state.mn.us/forests/oldgrowth/types.html</a>), and, Minnesota DNR Old-Growth Forest Policy - Goals and Results, at <a href="http://www.dnr.state.mn.us/forests/oldgrowth/policy.html">http://www.dnr.state.mn.us/forests/oldgrowth/policy.html</a>. For representative sample areas that may move across the landscape as conditions change (purposes 1 and 2), the length of time that an area is maintained as a representative area will vary with the rarity of the ecosystem type and specific ecological value to be conserved, the uniqueness of the represented condition, the rate at which areas with similar characteristics develop.</p> <p>Examples of representative samples fixed in place and serving purpose 3 include relatively exceptional features such as fens, vernal pools, areas surrounding caves, and areas of special soils containing endemic plant species.</p> <p>In most cases, intact old-growth (see Glossary) will qualify as representative sample under purpose 3 due to their rarity in the Lake States Region. Unentered old-growth stands (see Glossary) are also prime candidates for designation as representative sample areas under purpose 3. In both cases, the burden is on the landowner/manager to demonstrate that these areas should NOT qualify as representative sample areas under purpose 3. Other very old forests (over 150 years old) that do not meet the Lake States Standard’s strict definition of “old growth” (e.g., there is some evidence of past harvesting) should also be considered as potential representative sample areas under purpose 3</p> <p>Forests of all sizes may be conducive to protection of fixed features, such as rock outcrops and bogs. Medium sized and large forests may be more conducive to the maintenance of successional phases and disturbance patterns than small forests.</p> <p>While public lands (see Glossary) are expected to bear primary responsibility for protecting representative samples of existing ecosystems, FSC certification of private lands can contribute to such protection.</p> <p>Representative samples may be protected solely by the conditions of the certificate and/or through the use of conservation easements or other instruments of long-term protection.</p>	
<p>6.4.a. Forest owners and managers protect and reserve ecologically viable representative areas that are appropriate to the scale and intensity of the operation.</p>	<p>C Nature Preserves and other public lands likely provide adequate RSAs, but this needs to be determined through an analysis (see <b>Major CAR 2008.8 [CLOSED]</b>).</p>
<p>6.4.b. Where existing protected areas within the landscape are not of adequate size and configuration to serve as representative samples of commonly occurring forest types as defined above, owners or managers of mid-sized and large forests, whose properties are conducive to the establishment of such areas, designates ecologically viable areas to serve these purposes.</p>	<p>C See discussion under P&amp;C 6.4 and see <b>Major CAR 2008.8 [CLOSED]</b>.</p>

<p><i>Applicability notes to 6.4.b.: When evaluating the need for representative sample areas, the assessment should consider the relative rarity and degree of protection of similar areas at the state-wide scale, or at the biophysical region scale (as defined by state Natural Heritage programs) if Natural Heritage program or other assessments suggest that there is significant variation in community or ecosystem types between biophysical regions. Where existing protected areas adequately represent commonly occurring forest types in the landscape, these areas may suffice as the representative samples and no representative sample need be established on the forest</i></p> <p><i>The owner or manager of a small forest may not be expected to designate representative sample(s) of commonly occurring forest types, except where there is an exceptional opportunity to contribute to an under-represented protected areas system. For small forests or low-intensity managed forests, this criterion is satisfied by meeting the standards of Criteria 6.2.</i></p> <p><i>The size and configuration of the representative areas depend on the:</i></p> <ol style="list-style-type: none"> <li><i>(1) extent of representation of their forest types within the landscape (less protection calls for more representative samples);</i></li> <li><i>(2) ecological importance of setting aside stands and tracts to other conservation efforts (a minimum size and ecological value is needed to make representative samples useful); and</i></li> <li><i>(3) intensity of forest management within the forest and across the landscape (a less intensively managed forest or landscape calls for less area of representative samples, and a more intensively managed forest or landscape calls for more).</i></li> </ol>		
<p>6.4.c. The size and arrangement and time scale of on-site representative sample areas are designated and justified using assessment methods and sources of up-to-date information described in 6.1.</p> <p><i>Note: Known protected off-ownership areas that are in proximity to the management unit may be used to meet the goal in the landscape.</i></p>	C	See discussion under P&C 6.4 and see <b>Major CAR 2008.8 [CLOSED]</b> .
<p>6.4.d. Unless exceptional circumstances can be documented, known areas of intact old-growth forests are designated as representative sample areas under purpose 3. (See Applicability Note under 6.4 above) and are reviewed for designation as High Conservation Value Forests (HCVF- see also Applicability note under 6.3). Known areas of un-entered stands of old-growth are carefully reviewed, screened for uniqueness, and considered as potential representative sample areas prior to undertaking any active management within them (see Applicability Note under 6.4). Old growth stands not designated as either a HCVF or a representative sample area are, at a minimum, managed to maintain their old-growth structure, composition, and ecological functions under purpose 3.</p>	C	See discussion under P&C 6.4 and see <b>Major CAR 2008.8 [CLOSED]</b> .
<p>6.4.e. The size and extent of representative samples on public lands being considered for certification is determined through a transparent planning process that not only utilizes</p>	N/A	While not applicable to small, private parcels, the team notes that the certificate will be held by a public agency. We assume, therefore, that the public will be given an

scientifically credible analyses and expertise but is also accessible and responsive to the public.		opportunity to comment on all aspects of the FSC group.
6.4.f. The process and rationale used to determine the size and extent of representative samples are explicitly described in the public summary.	C	A public summary of the management plan and monitoring program are needed for the FSC group (see Principle 7 and Principle 8).
6.4.g. Managers of large, contiguous public forests (>50,000 acres) create and maintain representative protected areas within the forest area, sufficient in size to encompass the scale and pattern of expected natural disturbances while maintaining the full range of forest types and successional stages resulting from the natural disturbance regime.	N/A	
<p><b>C6.5. Written guidelines shall be prepared and implemented to control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and to protect water resources.</b></p> <p><i>Note: The Lakes States-Central Hardwoods Regional Certification Standards cover a diverse landscape - from prairie to glaciated Northern lands to unglaciated forests in the South. Within this region, all States have developed best management practice guidelines specific to their ecological conditions (see Appendix A). These locally developed guidelines serve as the base requirement for implementation of this standard.</i></p>	C	As previously noted, the Division of Forestry currently has no active role in harvest management on Classified Forest properties. As group managers, the Division of Forestry must take steps to ensure that guidelines related to erosion control, forest damage, and road construction (i.e., BMPs) are both available and being implemented (see <b>Major CAR 2008.9 [CLOSED]</b> ).
6.5.a. A set of forestry best management practices (BMPs), approved by the state forestry agency or otherwise appropriate jurisdiction (e.g., BIA), that address water quality and soil erosion is adhered to (see also 1.1.b). These guidelines may include provisions on riparian management zones (RMZs), skidding, access roads, site preparation, log landings, stream crossings, disturbance of sensitive sites, and wetlands.	C	Many BMPs and other guidelines exist in Indiana – many having been prepared by the Division of Forestry – but there is no mechanism as yet to ensure that they are adhered to during harvest operations (see <b>Major CAR 2008.9 [CLOSED]</b> ).
<p>6.5.b. At a minimum, implementation of BMPs and other resource protection measures will result in the following:</p> <ul style="list-style-type: none"> <li>• <b>Logging and Site Preparation</b></li> </ul> <p>Logging operations and construction of roads and skid trails are conducted only during periods of weather when soil is least susceptible to compaction, surface erosion, or sediment transport into streams and other bodies of water.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Operations are carried out when soils are either dry enough or frozen enough to minimize disturbance and compaction.</i></li> <li>• <i>Vehicular access to roads is controlled to limit soil erosion and other forest damage.</i></li> </ul> <p>Logging damage to regeneration and residual trees is minimized during harvest operations.</p> <p>Silvicultural techniques and logging equipment vary with slope, erosion hazard rating, and/or soil instability with the goal of minimizing soil disturbance. Areas that exhibit an extreme risk of landslide are excluded from management activities that may precipitate landslides.</p>	C	<p>See discussion under P&amp;C 6.5 and 6.5.a and see <b>Major CAR 2008.9 (CLOSED)</b>.</p> <p>In most cases visited during the audit, the indicator appeared to have been met, but in others there was evidence for non-compliance. Additional logger training in BMPs is likely warranted. BMP training sessions are commonly attended by foresters, but it is not required, and there is no licensing program for foresters in Indiana.</p> <p>There are no programs for post-harvest inspection to determine if there is excessive damage to soils or residual stands. (Note: The Division of Forestry will now conduct annual BMP audits on 10 percent of the harvest blocks)</p>

*Note: "Extreme risk" is a legally binding term in some states.*

Plans for site preparation specify the following mitigations to minimize impacts to the forest resources:

- (1) Slash is concentrated only as much as necessary to achieve the goals of site preparation and the reduction of fuels to moderate or low levels of fire hazard.
- (2) Top soil disturbance and scarification of soils is limited to the minimum necessary to achieve successful regeneration of desired species.

- **Transportation System (including permanent and temporary haul roads, skid trails, and landings)**

The transportation system is designed, constructed, maintained, and/or reconstructed to minimize the extent of the road network and its potential cumulative adverse effects.

*For example:*

- *Road density is minimized.*
- *Displacement of soil and the sedimentation of streams, as well as impacts to water quality, are minimized.*
- *Patches of habitat and migration corridors are conserved as much as possible.*
- *The integrity of riparian management zones (see Glossary) and buffers (see Glossary) surrounding other valuable ecological elements (e.g., wetlands, habitat for sensitive species, and interior old-growth forest) is conserved.*

Access to temporary and permanent roads is controlled to minimize significant adverse impacts to soil and biota while allowing legitimate access, as addressed by Principles 3 and 4 and identified in the management plan.

*For example:*

- *Roads without a weather resistant surface (e.g., soil, dirt, or native-surfaced roads) are used only during periods of weather when conditions are favorable to minimize road damage, surface erosion, and sediment transport.*
- *Vehicle access is restricted on roads not immediately necessary for management purposes.*

Failed drainage structures or other areas of active erosion caused by roads and skid trails are identified, and measures are taken to correct the drainage problems and stabilize erosion.

- **Stream and Water Quality Protection**

Stream crossings are located and constructed in a way that minimizes fragmentation of aquatic habitat (see Glossary) and protects water quality.

*For example:*

- *Crossings of riparian management zones are kept to a minimum.*

<ul style="list-style-type: none"> <li>Stream crossings are perpendicular to the waterway.</li> <li>Culverts allow free passage of aquatic organisms.</li> </ul> <p>• <b>Visual and Aesthetic Considerations</b></p> <p>Forest owners or managers limit and/or reduce negative impacts on visual quality caused by forest management operations.</p>		
<p><b>C6.6. Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.</b></p>	C	<p>The Division of Forestry has no control over chemical use on Classified Forest Program lands and landowners are not required to keep records of applications. The Division of Forestry will need to develop and implement a program that ensures compliance with all aspects of P&amp;C 6.6 (see <b>Major CAR 2008.10 [CLOSED]</b>).</p>
<p>6.6.a. Forest owners and managers demonstrate compliance with FSC Policy paper: “Chemical Pesticides in Certified Forests, Interpretation of the FSC Principles and Criteria, July 2002” (available at <a href="http://www.fsc.org/en/whats_new/documents/Docs_cent/2">http://www.fsc.org/en/whats_new/documents/Docs_cent/2</a>) and comply with prohibitions and/or restrictions on World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement.</p>	C	<p>The Division of Forestry, as group manager, does not know what chemicals are being applied on group member properties and cannot assure compliance with the FSC Policy Paper, “Chemical Pesticides in Certified Forests, Interpretation of the FSC Principles and Criteria, July 2002” (see <b>Major CAR 2008.10 [CLOSED]</b>).</p>
<p>6.6.b. Forest owners or managers employ silvicultural systems, integrated pest management, and strategies for controlling vegetation that minimize negative environmental effects. Non-chemical techniques are preferred in the implementation of these strategies.</p> <p><i>For example, components of silvicultural systems, integrated pest management, and strategies to control vegetation may include:</i></p> <ul style="list-style-type: none"> <li>creation and maintenance of habitat that discourages pest outbreaks</li> <li>creation and maintenance of habitat that encourages natural predators</li> <li>evaluation of pest populations and establishment of action thresholds</li> <li>diversification of species composition (see Glossary) and structure</li> <li>use of low impact mechanical methods</li> <li>use of prescribed fire</li> </ul>	C	<p>Most forests are maintained in a well-stocked, mature condition that is likely relatively resistant to pest outbreaks. In addition, the mature forest canopy likely favors populations of natural predators.</p>
<p>6.6.c. Forest owners or managers develop written strategies for the control of pests as a component of the management plan (see Criterion 7.1).</p>	C	<p>Most management plans that were reviewed do not have written strategies for pest control. The team notes that the Division of Forestry could prepare such strategies at the group level (see <b>Major CAR 2008.10 [CLOSED]</b>).</p>
<p>6.6.d. If chemicals are applied, the most environmentally safe and efficacious chemicals are used. Chemicals are narrowly targeted, and minimize effects on non-target species.</p>	C	<p>(see <b>Major CAR 2008.10 [CLOSED]</b>).</p>
<p>6.6.e. Chemicals are used only where they pose no threat to</p>	C	<p>(see <b>Major CAR 2008.10 [CLOSED]</b>).</p>

supplies of domestic water, aquatic habitats, or Rare species or plant community types.		
6.6.f. If chemicals are used, a written prescription is prepared that describes the risks and benefits of their use and the precautions that workers will employ.	C	See <b>Major CAR 2008.10 (CLOSED)</b> and note previous discussion concerning potentially addressing chemical use at the group level (i.e., see 6.6.c).
6.6.g. If chemicals are used, the effects are monitored and the results are used for adaptive management. Records are kept of pest occurrences, control measures, and incidences of worker exposure to chemicals.	C	Records are not kept of pesticide application and there is no monitoring of results (note that monitoring can be informal on small parcels) (see <b>Major CAR 2008.10 [CLOSED]</b> ).
<b>C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</b>	C	The Division of Forestry, as group manager, has no control over harvest operations and the disposal of wastes generated during harvesting (see <b>Major CAR 2008.11 [CLOSED]</b> ).
6.7.a. In the event of a spill of hazardous material, forest owners or managers immediately contain the material, report the spill as required by applicable regulations, and engage qualified personnel to perform the appropriate removal and remediation.	C	No evidence to document compliance and no control over harvest operations (see <b>Major CAR 2008.11 [CLOSED]</b> ). Some logging contractors interviewed during site visits had spill kits and others did not.
6.7.b. Waste lubricants, anti-freeze, containers, and related trash are stored in a leakproof container until they are transported to an approved off-site disposal site.  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Management operations incorporate resource recycling and reuse programs when they are available.</i></li> </ul>	C	See above.
6.7.c. Broken or leaking equipment and parts are repaired or removed from the forest.	C	No evidence to review and no control over logging operations. We assume that the Division of Forestry will address this as part of its group management effort (see <b>Major CAR 2008.11 [CLOSED]</b> ).
6.7.d. Equipment is parked away from riparian management zones, sinkholes, or supplies of ground water.	C	Compliance seemed to be the norm based on the few active logging jobs that were observed, but see discussion above concerning lack of Division of Forestry oversight of harvest operations and see <b>Major CAR 2008.11 (CLOSED)</b> .
<b>C6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</b>  <i>Applicability Note: Genetically improved organisms (e.g., Mendelian crossed) are not considered to be genetically modified organisms (see Glossary), and may be used. The prohibition of genetically modified organisms applies to all organisms, including trees. This Criterion is guided by FSC guidelines on GMO's (<a href="http://www.fsc.org/en/whats_new/documents/Docs_cent/2">http://www.fsc.org/en/whats_new/documents/Docs_cent/2</a>).</i>	C	
6.8.a. Exotic (i.e., non-indigenous), non-invasive predators or biological control agents are used only as part of a pest management strategy for the control of exotic species of plants, pathogens (see Glossary), insects, or other animals when other pest control methods are, or can reasonably be expected to prove, ineffective. Such use is contingent upon peer-reviewed scientific evidence that the agents in question are non-invasive and are safe for indigenous species because, for example, exotic species can host pathogens that might diminish biodiversity in the forest.	C	Bt may rarely be used by DNR for gypsy mot, but all instances are well documented and based on best available science.

<p><b>C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</b></p>	C	<p>The Division of Forestry may make recommendations concerning fill planting and other use of plantings and seed mixes, but it has no control as yet over these activities on group member properties (see <b>Major CAR 2008.12 [CLOSED]</b>). The team notes that most hardwood planting occurs on properties prior to their being enrolled in the Classified Forest Program (i.e., restoration of forests on agricultural lands).</p>
<p>6.9.a. Except on plantation sites (see also Criterion 10.4), the use of exotic tree species is permitted only in the first successional stages or other short-term stages for the purposes of restoring degraded ecosystems.</p>	C	<p>See <b>Major CAR 2008.12 (CLOSED)</b>.</p>
<p>6.9.b. The use of exotic species (see Glossary) is contingent on peer-reviewed scientific evidence that the species in question is non-invasive and will not diminish biodiversity. If non-invasive exotic species are used, the provenance and location of use are documented, and their ecological effects are actively monitored.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Non-invasive exotic plants that are sown to control erosion are used only when suitable native species are not readily available.</i></li> </ul>	C	<p>Recommendations are issued, but there is no control over what the landowner uses for food plots, seed mixes, or plantings (see <b>Major CAR 2008.12 [CLOSED]</b>).</p>
<p>6.9.c. Written documentation is maintained for the use of exotic species.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Species mixes, rates, locations, and times of application are all recorded.</i></li> </ul>	C	<p>See <b>Major CAR 2008.12 (CLOSED)</b>.</p>
<p>6.9.d. Forest owners or managers develop and implement control measures for invasive exotic species.</p>	C	<p>See <b>Major CAR 2008.12 (CLOSED)</b>. Some landowners follow through on recommendations to control invasive, exotic species, but examples were seen where this was not the case. The Division of Forestry should provide direction to group members regarding when invasive species control is warranted.</p>
<p><b>C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</b>  a) Entails a very limited portion of the forest management unit; and b) Does not occur on High Conservation Value Forest areas; and c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</p> <p><i>Applicability Note: Forest management activities that are part of an approved management plan, including road construction and habitat restoration (such as creation of openings in the forest for wildlife habitat and the maintenance or creation of wetlands or prairies) are not conversions for the purposes of this criterion.</i></p>	C	
<p>6.10.a. Over the life of the ownership, forest to non-forest conversions are limited to the threshold of 1% of the forest area or 100 acres, whichever is smaller, except that a parcel up to two acres in size may be converted for residential use by the forest owner or manager.</p>	C	<p>Properties are removed from the Classified Forest Program if they do not meet regulatory requirements. Following the initial audit in 2008, the Division of Forestry explained the requirements of Criterion 6.10 to group members in mailings and in a series of public meetings.</p>
<p>6.10.b. When private forestlands are sold, a portion of the</p>	N/A	<p>Not applicable to small, private lands.</p>

proceeds of the sale is reinvested in additional forest lands and/or forest stewardship.		
<b>P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</b>		
<p><b>C7.1. The management plan and supporting documents shall provide:</b></p> <p>a) Management objectives. b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species. h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</p> <p><i>Applicability Note: The management plan may consist of a variety of documents not necessarily unified into a single planning document but which represents an integrated strategy for managing the forest within the ecological, economic, and social limitations of the land. The plan includes a description and rationale for management elements appropriate to the scale, intensity, and goals of management, and may include:</i></p> <ul style="list-style-type: none"> <li>Silvicultural systems <ul style="list-style-type: none"> <li>Regeneration strategies</li> <li>Maintenance of structural and species diversity</li> <li>Pest control (disease, insects, invasive species, and vegetation)</li> <li>Soil and water conservation</li> <li>Methods and annual rates of harvest, by species and products</li> <li>Equipment and personnel needs</li> </ul> </li> <li>Transportation system</li> <li>Fire management <ul style="list-style-type: none"> <li>Prescribed fires</li> <li>Wildfires</li> </ul> </li> <li>Fish and wildlife and their habitats (including non-game species)</li> <li>Non-timber forest products <ul style="list-style-type: none"> <li>Methods and annual rates of harvest, by species and products</li> <li>Regeneration strategies</li> </ul> </li> <li>Socioeconomic issues <ul style="list-style-type: none"> <li>Public access and use</li> </ul> </li> <li>Conservation of historical and cultural resources <ul style="list-style-type: none"> <li>Protection of aesthetic values</li> <li>Employee and contractor policies and procedures</li> <li>Community relations</li> <li>Stakeholder notification</li> <li>Public comment process</li> </ul> </li> </ul>	C	<p>With a group certification scenario, the team recognizes that some elements of the management plan can, and should, be handled at the group level, whereas other elements have to be handled at the parcel level. For those reasons, the team considered documents, processes, and GIS applications from within the DNR as relevant to Principle 7.</p> <p>The team recognizes that the Division of Forestry is still preparing documents related to FSC group management that may be relevant to Principle 7 when complete.</p> <p>The Classified Forest Program requires a management plan that is updated every 10 years. Most properties currently have management plans, but many plans are out-of-date and the Division of Forestry does not have a database indicating when plans are due for renewal. (Note: The Division of Forestry has determined which plans are missing or inadequate and has developed protocols for addressing such plans prior to harvest activities)</p>

<p>For public forests, legal and historic American Indian issues</p> <p>Protection of legal and customary rights</p> <p>Procedures for integrating tribal concerns in forest management</p> <p>Management of sites of special significance</p> <p>Special management areas</p> <p>High Conservation Value Forests</p> <p>Riparian management zone</p> <p>Set asides of samples of representative existing ecosystems</p> <p>Sensitive, rare, threatened, and endangered species protection</p> <p>Other protected areas</p> <p>Landscape level analyses and strategies</p>		
<b>7.1.a. Management objectives</b>	C	
7.1.a.1. A written management plan is prepared that includes the landowner's short-term and long-term goals and objectives (ecological, social, and economic). The objectives are specific, achievable, and measurable.	C	See <b>Major CAR 2008.1 (CLOSED)</b> regarding missing plans and plans that are out-of-date. See, also, previous discussions on group management documents that are being prepared by the Division of Forestry.
7.1.a.2. The management plan describes desired future conditions that will meet the long-term goals and objectives and that determine the silvicultural system(s) and management activities to be used.	C	Most management plans have at least a general description of desired stand conditions that conforms to this indicator given the scale and intensity of operations. The team supports, however, the use of the revised management plan template that reinforces the concept of desired future condition as a management objective.
<p><i>For example:</i></p> <ul style="list-style-type: none"> <li><i>The management plan includes a description of forest resources to be managed, environmental limitations, the status of land use and ownership, socioeconomic conditions, and a profile of adjacent lands.</i></li> <li><i>See 7.1.b.1, 7.1.b.2, 7.1.b.3, 7.1.b.4, 7.1.b.5, and 7.1.b.6 for additional examples</i></li> </ul>		
<b>7.1.b. Description of forest resources to be managed, environmental limitations, land use and ownership status, socioeconomic conditions, and profile of adjacent lands</b>	C	
7.1.b.1. The management plan describes the timber, fish and wildlife, harvested non-timber forest products, soils, and non-economic forest resources.	C	See 7.1.a.2 (i.e., plans are adequate for scale of operations, but we support the use of the new plan template).
7.1.b.2. The management plan includes descriptions of special management areas; sensitive, rare, threatened, and endangered species and their habitats; and other ecologically sensitive features in the forest.	C	See <b>Major CAR 2008.7 (CLOSED)</b> .
7.1.b.3. The management plan includes a description of past land uses and incorporates this information into the vision, goals, and objectives.	C	See 7.1.a.2 (i.e., plans are adequate for scale of operations, but we support the use of the new plan template).
7.1.b.4. The management plan identifies the legal status of the forest and its resources (e.g., ownership, usufruct rights (see Glossary), treaty rights, easements, deed restrictions, and leasing arrangements).	C	Generally conforms, given scale and intensity of operations, but see discussion in Principle 1.
7.1.b.5. The management plan identifies relevant cultural and socioeconomic issues (e.g., traditional and customary rights of use, access, recreational uses, and employment), conditions (e.g., composition of the workforce, stability of employment, and changes in forest ownership and tenure),	C	See <b>Major CAR 2008.4 (CLOSED)</b> . The team notes, as well, that the Division of Forestry is in the process of defining its group management policies and is developing documents that will address this indicator.

and areas of special significance (e.g., ceremonial and archeological sites).		
7.1.b.6. The management plan incorporates landscape-level considerations within the ownership and among adjacent and nearby lands, including major bodies of water, critical habitats, and riparian corridors shared with adjacent ownerships.	C	The team notes that the Division of Forestry is in the process of defining its group management policies and is developing documents that will address this indicator. The team further notes that the Classified Forest Program is, by its nature, a landscape-level program. Inventory efforts by the Nature Preserve Program are relevant to this indicator, as well.
<b>7.1.c. Description of silvicultural and/or other management system</b>	C	
7.1.c.1. Silvicultural system(s) and prescriptions are based on the integration of ecological and economic characteristics (e.g., successional processes, soil characteristics, existing species composition and structures, desired future conditions, and market conditions). (see also sub-Criterion 6.3.a)	C	The Division of Forestry has no control over harvest operations and silvicultural systems at this time (see previous CARs)
7.1.c.2. Prescriptions are prepared prior to harvesting, site preparation, pest control, burning, and planting and are available to people who implement the prescriptions.	C	See previous CARs.
<b>7.1.d. Rationale for the rate of annual harvest and species selection</b>	C	
7.1.d.1. Calculations for the harvests of both timber and non-timber products are detailed or referenced in the management plan and are based on net growth, yield, stocking, and regeneration data. (see also 5.6.b)	C	Indicator is marginally applicable given the small size of enrolled parcels and frequently light entries. The team notes, as well, that the Division of Forestry has analyzed available FIA data for the Classified Forest Group as a whole and found that growth rates exceed current harvest rates.
7.1.d.2. Species selection meets the social and economic goals and objectives of the forest owner or manager and leads to the desired future conditions while maintaining or improving the ecological composition, structures, and functions of the forest.	C	While many harvests are light, there is no assurance that species selection meets either the objectives of the management plan or the landowner's goals. See previous discussion, CARs, and RECs regarding the need for Division of Forestry oversight on harvest operations on group member properties.
7.1.d.3. The management plan addresses potentially disruptive effects of pests, storms, droughts, and fires as they relate to allowable cut.	C	Not relevant to small parcels as none are managed to maximize allowable cut levels.
<b>7.1.e. Provisions for monitoring forest growth and dynamics.</b>	C	
7.1.e.1. The management plan includes a description of procedures to monitor the forest.	C	Landscape-level monitoring is achieved via regular monitoring of FIA plots (see previous discussion concerning the Division's analysis of FIA data from Classified Forest Program properties).
<b>7.1.f. Environmental safeguards based on environmental assessments (see also Criterion 6.1).</b>	C	See P&C 6.1.
<b>7.1.g. Plans for the identification and protection of rare, threatened, and endangered species. (see also Criterion 6.3)</b>	C	See P&C 6.3.
<b>7.1.h. Maps describing the forest resource base including protected areas, planned management activities, and land ownership.</b>	C	See P&C 6.3. Most plans have general maps, but there is no uniform policy for, or treatment of, protected areas on individual parcels. The team notes that the Natural Heritage database is a relevant map system and that District Foresters have recently received training in its use.
7.1.h.1. The management plan includes maps of such forest characteristics as: relevant landscape-level factors; property boundaries; roads; areas of timber production; forest types by age class; topography; soils; riparian zones; springs and	C	See discussion under P&C 7.1.h and note Major CAR 2008.18 regarding HCVF ( <b>CLOSED</b> ).

wetlands; archaeological sites; areas of cultural and customary use; locations of sensitive, rare, threatened, and/or endangered species and their habitats; and designated High Conservation Value Forests.		
<b>7.1.i. Description and justification of harvesting techniques and equipment to be used. (see also Criterion 6.5)</b>	C	See <b>Minor CAR 2009.10</b> .
7.1.i.1. Harvesting machinery and techniques are discussed in the management or harvest plan and are specifically matched to forest conditions in order to minimize damage.	C	Most parcels don't have harvest plans, unless they are prepared by a consulting forester or industry forester. Most operations in Indiana use the same equipment (i.e., chainsaw and skidder), so model discussions of typical harvest protocols for these systems could be handled at the group level (see <b>Minor CAR 2009.10</b> ).  The team notes that harvest plans should be appropriate to the scale and intensity of operations, which is commonly low-impact logging.
7.1.i.2. Conditions for each timber sale are established by a timber sale contract or written harvest prescription and accompanying timber sale map.  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Timber sale contracts and harvest prescriptions provide detailed specifications of how trees are to be harvested.</i></li> </ul>	C	The Division of Forestry has model logging contracts, but there is no requirement that they be used and many operations likely are accomplished without a contract. As a result, there is often little record of the specifications for harvest operations (see <b>Minor CAR 2009.10</b> ).
<b>C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</b>	C	See <b>Major CAR 2008.1 [CLOSED]</b> .
7.2.a. Operational components of the management plan are reviewed and revised as necessary or at least every 5 years. Components of the long-term (strategic) management plan are revised and updated at the end of the planning period or when other changes in the management require it. (see also Criterion 8.4)  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>The rationale for changes in the management plan is stated in subsequent revisions.</i></li> <li>• <i>Relevant provisions of the management plan are modified in response to such changes as fire, market conditions, or damage to the road system.</i></li> </ul>	C	Classified Forest Program regulations require a 5-year site re-inspection and updates to the management plan on a 10-year cycle. The process is in place, therefore, but note that some number of plans is out-of-date (see <b>Major CAR 2008.1 [CLOSED]</b> ).
<b>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</b>	C	(see <b>Major CAR 2008.13 [CLOSED]</b> )
7.3.a. The forest owner or manager assures that workers are qualified to implement the management plan (see also Criterion 4.2).  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Loggers and other operators participate in informal and formal training, such as Forest Industry Safety Training Alliance, Game of Logging.</i></li> <li>• <i>Professional foresters and resource managers meet continuing education standards, such as the Society of American Foresters "Certified Forester" program.</i></li> <li>• <i>The forest owner or manager utilizes directories that either list or are based on worker qualifications.</i></li> </ul>	NC	There is no current requirement to ensure that loggers are properly trained and that foresters – when used – are trained in the necessary aspects of the management plan, including elements contained with the DNR's GIS programs and databases (e.g., the Natural Heritage database) (see <b>Major CAR 2008.13 [CLOSED]</b> ).  See <b>Minor CAR 2009.11</b> .

7.3.b. The management plan is understandable, comprehensive, and readily available to field personnel.		7.3.b: See <b>Major CAR 2008.13</b> .
<p><b>C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.</b></p> <p><i>Applicability Note: Forest owners or managers of private forests may withhold proprietary information (e.g., the nature and extent of their forest resource base, marketing strategies, and other financial information). (see also Criterion 8.5)</i></p>	C	Some form of public summary must be prepared for the FSC group as a whole (see <b>Major CAR 2008.14 [CLOSED]</b> ).
7.4.a. A management plan summary that outlines management objectives (from sub-Criterion 7.1.a.), whether on private lands or the land pool under a resource manager, is available to the public at a reasonable fee. Additional elements of the plan may be excluded, to protect the security of environmentally sensitive and/or proprietary information.	C	See <b>Major CAR 2008.14 (CLOSED)</b> .
7.4.b. Managers of public forests make forestry-related information easily accessible (e.g., available on websites) for public review, including that required by Criterion 7.1.	C	At group level, the Division of Forestry conforms to the indicator with good website and printed information. The team understands that the Division is developing information specifically related to certification of the Classified Forest Program.
<p><b>P8 Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</b></p>		
<p><i>Applicability Note: On small and medium-sized forests (see Glossary), an informal, qualitative assessment may be appropriate. Formal, quantitative monitoring is required on large forests and/or intensively managed forests.</i></p>		
<p><b>C8.1. The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations, as well as, the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.</b></p>	C	The team recognizes that monitoring requirements for this effort include both landscape-level (i.e., group level) and parcel-level elements.
8.1.a. The frequency of monitoring activities follows the schedule outlined in the management plan.	C	Monitoring frequency is seldomly discussed in the individual landowner management plans. Most properties are small, however, and would be eligible for informal, qualitative assessments. Some monitoring is done at the landscape level (i.e., FIA data). The Division of Forestry needs to clarify the monitoring activities that will be associated with its FSC group (see <b>Minor CAR 2009.12</b> ).
<p>8.1.b. Monitoring is carried out to assess:</p> <ul style="list-style-type: none"> <li>• The degree to which management goals and objectives have been achieved;</li> <li>• Deviations from the management plan;</li> <li>• Unexpected effects of management activities;</li> <li>• Social (see Criterion 4.4) and environmental (see Criterion 6.1) effects of management activities.</li> </ul>	C	Properties are re-visited at 5-year intervals and the plan is required to be updated at 10-year intervals (note, however, previous discussions regarding out-of-date plans). The District Forester must visit the property once every 10 years (i.e., assistants, intermittent foresters, or student interns often conduct the 5-year inspection) and is responsible for preparing or approving the revised management plan. Social impacts are likely to be minor at the parcel level, but should be considered at the group level (see previous discussion about group management documents that are being prepared).

8.1.c. Public and large, private land owners or managers take the lead in identifying, initiating, and supporting research efforts to address pertinent ecological questions. Small and medium private landowners or managers use information that has been developed by researchers and other managers.	C	
<b>8.2. Forest management 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, and e) cost, productivity, and efficiency of forest management.</b>	C	The Division of Forestry needs to develop enhanced monitoring plans for its FSC group that is reflective of the size of the group as a whole while recognizing the small scale and intensity of most operations at the parcel level (see <b>Major CAR 2008.15 [CLOSED]</b> ).
<b>8.2.a. Yield of all forest products harvested.</b>	C	
8.2.a.1. The forest owner or manager maintains records of standing inventories of timber and harvest volumes of timber and non-timber species (quality and quantity).  <i>For example:</i> <ul style="list-style-type: none"> <li>• <i>Significant unanticipated removal of forest products (e.g., theft and poaching) is monitored and recorded.</i></li> </ul>	C	Landowners are not required to maintain records of standing inventories or harvest volumes. For most parcels, conducting an inventory of standing timber would be cost prohibitive and unnecessary. Landowners, however, should report timber harvest volumes so that harvests can be reflected in the management plan update and to support the FSC chain-of-custody process (see <b>Major CAR 2008.16 [CLOSED]</b> ).
<b>8.2.b. Growth rates, regeneration, and condition of the forest</b>	C	
8.2.b.1. An inventory system is established and records are maintained for: <ol style="list-style-type: none"> <li>1. Timber growth and mortality (for volume control systems);</li> <li>2. Stocking, and regeneration;</li> <li>3. Stand-level and forest-level composition and structure (e.g., by use of tools, such as ecological classification systems);</li> <li>4. Abundance, regeneration, and habitat conditions of non-timber forest products;</li> <li>5. Terrestrial and aquatic features;</li> <li>6. Soil characteristics (e.g., texture, drainage, existing erosion);</li> <li>7. Pest conditions.</li> </ol>	C	FIA data has been used to evaluate the condition of the forest for the pooled properties comprising the Classified Forest Program. Management plans contain general descriptions of stocking and regeneration.
<b>8.2.c. Composition and observed changes in the flora and fauna</b>	C	
8.2.c.1. Forest owners or managers periodically monitor the forest for changes in major habitat elements and in the occurrence of sensitive, rare, threatened, or endangered species or communities.	C	Overall composition of the forest is re-visited during the 10-year update of the management plan. The Indiana Nature Preserves Program has done a landscape-level screening for rare, threatened, and endangered species and natural communities. This information has been linked with the Classified Forest property maps and over 500 element occurrences are believed to occur on Classified Forest properties. We assume that the Division of Forestry will continue to work with the Nature Preserves Program to determine appropriate monitoring frequencies for existing element occurrences and to evaluate the presence of additional species or communities of interest.
<b>8.2.d. Environmental and social impacts of harvesting and other operations</b>	C	
8.2.d.1. The environmental effects of site-disturbing activities are assessed (e.g., road construction and repair, harvesting, and site preparation).  <i>For example:</i>	C	Sites are only visited once every 5 years, during which time there is an evaluation of the degree to which BMPs were followed. There are no formal assessments, however, of road construction or site preparation. Given the modest level of management activity on most parcels, visiting once

<ul style="list-style-type: none"> <li>Monitoring for compliance with Best Management Practices is carried out.</li> <li>A monitoring program is in place to assess the condition and environmental impact of the road system and landings.</li> </ul>		every 5 years could meet the requirements of this indicator with a more formalized assessment program and assurance that monitoring observations would be translated into amendments to the management plan and/or additional training for landowners and/or logging contractors, as appropriate (see previous CARs).
8.2.d.2. Creation or maintenance of local jobs and public responses to management activities are monitored.	C	The State of Indiana monitors employment within the forest products industry.
8.2.d.3. Sites of special significance to American Indians are monitored in consultation with tribal representatives (see also Principle 3).	C	See <b>Major CAR 2008.4 (CLOSED)</b> .
<b>8.2.e. Cost, productivity, and efficiency of forest management</b>	C	
8.2.e.1. Forest owners or managers monitor the cost and revenues of management in order to assess productivity and efficiency.	C	This is presumably done at the parcel level at varying levels of intensity, depending upon the landowner's interests and abilities.
<p><b>C8.3. Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."</b></p> <p><i>Applicability Note: For chain-of-custody management requirements, see Section 3.6 of Chain of Custody Standards, FSC Accreditation Manual.</i></p>	C	The Division of Forestry is in the process of evaluating a state-wide chain-of-custody system. The Division, however, must take steps to ensure stump-to-gate chain-of-custody procedures for harvest operations on group member lands (see <b>Major CAR 2008.16 (CLOSED)</b> ).
<b>C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.</b>	C	
8.4.a. Discrepancies between the results of management activities or natural events (i.e. yields, growth, ecological changes) and expectations (i.e. plans, forecasts, anticipated impacts) are appraised and taken into account in the subsequent management plan.	C	Addressed – to varying degrees – during the 5-year inspection and when the plan is updated at 10-year intervals. Note, however, that some plans are out-of-date (see previous discussion).
<p><b>C8.5. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.</b></p> <p><i>Applicability Note: Forest owners or managers of private forests may withhold proprietary information (e.g., the nature and extent of their forest resource base, marketing strategies, and other financial information). (see also Criterion 7.4)</i></p>	C	The Division of Forestry must prepare a public summary of its monitoring program for the Classified Forest Program FSC group certification system (see <b>Major CAR 2008.17 (CLOSED)</b> ).
8.5.a. A summary outlining the results of monitoring is available to the public at a reasonable fee, whether on private lands or a land pool under a resource manager or group certification.	C	We assume that the summary will be done at the group level (see <b>Major CAR 2008.17 (CLOSED)</b> ). (Note: Following the initial audit in 2008, a publicly-available summary was prepared [see response to Major CAR 2008.17])
8.5.b. Managers of public forests make information related to monitoring easily accessible (e.g., available on websites) for public review.	N/A	
<p><b>P9 Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</b></p> <p><b>High Conservation Value Forests are those that possess one or more of the following attributes:</b></p> <p>a) Forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g.,</p>		

endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance

- b) Forest areas that are in or contain rare, threatened or endangered ecosystems
- c) Forest areas that provide basic services of nature in critical situations (e.g., watershed protection, erosion control)
- d) Forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

Examples of forest areas that *may have* high conservation value attributes include, but are not limited to:

Central Hardwoods:

- Old growth – (see Glossary) (a)
- Old forests/mixed age stands that include trees >160 years old (a)
- Municipal watersheds –headwaters, reservoirs (c)
- Rare, Threatened, and Endangered (RTE) ecosystems, as defined by GAP analysis, Natural Heritage Inventory, and/or the World Wildlife Fund's Forest Communities of Highest Conservation Concern, and/or Great Lakes Assessment (b)
- Intact forest blocks in an agriculturally dominated landscape (refugia) (a)
- Intact forests >1000 ac (valuable to interior forest species) (a)
- Protected caves (a, b, or d)
- Savannas (a, b, c, or d)
- Glades (a, b, or d)
- Barrens (a, b, or d)
- Prairie remnants (a, b, or d)

North Woods/Lake States:

- Old growth – (see Glossary) (a)
- Old forests/mixed age stands that include trees >120 years old (a)
- Blocks of contiguous forest, > 500 ac, which host RTEs (b)
- Oak savannas (b)
- Hemlock-dominated forests (b)
- Pine stands of natural origin (b)
- Contiguous blocks, >500 ac, of late successional species, that are managed to create old growth (a)
- Fens, particularly calcareous fens (c)
- Other non-forest communities, e.g., barrens, prairies, distinctive geological land forms, vernal pools (b or c)
- Other sites as defined by GAP analysis, Natural Heritage Inventory, and/or the World Wildlife Fund's Forest Communities of Highest Conservation Concern (b)

*Note: In the Lake States-Central Hardwoods region, old growth (see Glossary) is both rare and invariably an HCVF.*

*In the Lake States-Central Hardwoods region, cutting timber is not permitted in old-growth stands or forests.*

*Note: Old forests (see Glossary) may or may not be designated HCVFs. They are managed to maintain or recruit: (1) the existing abundance of old trees and (2) the landscape- and stand-level structures of old-growth forests, consistent with the composition and structures produced by natural processes.*

*Old forests that either have or are developing old-growth attributes, but which have been previously harvested, may be designated HCVFs and may be harvested under special plans that account for the ecological attributes that make it an HCVF.*

*Forest management maintains a mix of sub-climax and climax old-forest conditions in the landscape.*

**C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.**

C

The Division of Forestry must complete an assessment to determine the presence of attributes consistent with High Conservation Value Forests for the Classified Forest Program properties (see **Major CAR 2008.18 [CLOSED]**). The team notes that the Nature Preserve Program has both the data and the expertise to assist with this endeavor. (Note: The Division of Forestry collaborated with the Nature Preserves Program to screen group member properties using existing databases; the Division also developed protocols for identifying unmapped HCVF, should they exist)

*Applicability Note: Certain information may be withheld from public discussion to protect the attributes that may be of High Conservation Value. The level of delineation and consultations required is dependent on the scale and intensity of the operation.*

<p>9.1.a. Attributes and locations of High Conservation Value Forests are determined by:</p> <ol style="list-style-type: none"> <li>(1) Globally rare, threatened, or endangered features, habitats, or ecosystems that may be present in the forest (suggested sources of information are: The Nature Conservancy, World Wildlife Fund, Conservation International, World Resources Institute);</li> <li>(2) Regionally and locally rare, threatened, or endangered features, habitats, or ecosystems that may be present in the forest; culturally and tribally significant areas; or municipal watersheds that may be present in the landscape and/or certified forest (suggested sources of information include natural and cultural heritage agencies);</li> <li>(3) Appropriate consultations with local and regional scientists and other stakeholders;</li> <li>(4) Public review of proposed HCVF attributes and areas on large-scale and public ownerships (see also 7.4, 4.4.e., 4.4.f.);</li> <li>(5) Integration of information from consultations and public review into proposed HCVF delineation;</li> <li>(6) Delineation by maps and habitat descriptions.</li> </ol>	C	<p>No formal assessment of HCVF has been conducted. Note that the statewide inventory by Nature Preserves can be used to identify areas that meet some of the definitions of HCVF (see <b>Major CAR 2008.18 [CLOSED]</b>). (Note: See discussion above)</p>
<p><b>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</b></p> <p><i>Note: FSC understands that Criterion 9.2 is an instruction to Certification Bodies and that no indicators are required.</i></p>	C	<p>Absent an HCVF analysis for the Classified Forest Program, no action could be taken (see <b>Major CAR 2008.18 [CLOSED]</b>). (Note: The HCVF analysis was discussed with Division of Forestry and Nature Preserve Program staff during the November 2009 follow-up audit)</p>
<p><b>C9.3. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</b></p> <p><i>Applicability Note: The applicability of the precautionary principle (see Glossary) and the consequent flexibility of forest management vary with the size, configuration, and tenure of the HCVF:</i></p> <ol style="list-style-type: none"> <li>a) <i>More flexibility is appropriate where an HCV forest is less intact, larger in area, has a larger area-to-perimeter ratio, and its tenure is assured over the long term.</i></li> <li>b) <i>Less flexibility is appropriate where an HCV forest is more intact, covers a smaller area, has a smaller area-to-perimeter ratio, and future tenure is uncertain, based on social considerations.</i></li> </ol>	C	<p>HCVF is not discussed in management planning documents at the parcel or group levels (see <b>Major CAR 2008.18 [CLOSED]</b>). (Note: The new Umbrella Management Plan for the FSC group discusses HCVF)</p>
<p>9.3.a. Forest management plans and activities are appropriate for maintaining, enhancing and/or restoring attributes that make the area an HCVF.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Passive management activities are carried out when they maintain, enhance, or restore HCVF characteristics and/or enlarge the size of the HCVF.</i></li> <li>• <i>When prescribed burns, removal of invasive species,</i></li> </ul>	C	<p>Can't be determined due to lack of an assessment for HCVF on Classified Forest lands (see <b>Major CAR 2008.18 [CLOSED]</b>). (Note: Management of HCVFs is discussed in the Umbrella Management Plan and will be discussed in individual parcel plans in the few instances where HCVF is present)</p>

<p><i>and integrated pest management activities are carried out, they occur in a manner consistent with maintenance, protection and/or restoration of HCVF characteristics.</i></p> <ul style="list-style-type: none"> <li>• <i>When timber harvesting is carried out, it occurs in a manner that is consistent with HCVF maintenance, enhancement, or restoration.</i></li> </ul>		
<p>9.3.b. Active management in HCVFs is allowed only when it maintains or enhances high conservation values.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• <i>Maintenance of old-growth and HCVF attributes may be carried out by: (1) removal of exotic species and (2) use of controlled burning.</i></li> </ul>	C	Can't be determined due to lack of an assessment for HCVF on Classified Forest lands (see <b>Major CAR 2008.18 [CLOSED]</b> ). (Note: Management of HCVFs is discussed in the Umbrella Management Plan and will be discussed in individual parcel plans in the few instances where HCVF is present)
<p>9.3.c. The management-plan summary includes information about HCVF management without compromising either the confidentiality of the forest owner or manager or environmentally and culturally sensitive features (see also sub-Criterion 7.1.f).</p>	C	There is no summary of the management plan (group level) and there has not been an assessment for HCVF (see <b>Major CAR 2008.18 [CLOSED]</b> and <b>Major CAR 2008.14 [CLOSED]</b> ). (Note: See discussion related to closing of the Major CARs)
<p>9.3.d. Forest owners or managers of HCVFs (forests and/or stands) coordinate conservation efforts with forest owners or managers of other HCVFs in the landscape.</p>	C	Can't be determined due to lack of an assessment for HCVF on Classified Forest lands (see <b>Major CAR 2008.18 [CLOSED]</b> ). (Note: District Foresters and Nature Preserve staff will coordinate conservation efforts in the limited instances where an HCVF is found on adjacent properties not enrolled in the Classified Forest Program)
<p><b>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</b></p>	C	(see <b>Major CAR 2008.18 [CLOSED]</b> )
<p>9.4.a. Forest owners or managers of small forests may satisfy this requirement with informal observations (see 8.1 and 8.2.). When observations detect changes, the changes are documented.</p>	C	Can't be determined due to lack of an assessment for HCVF on Classified Forest lands (see <b>Major CAR 2008.18 [CLOSED]</b> ). (Note: HCVF monitoring has been addressed at the group level in the Umbrella Management Plan)
<p>9.4.b. Forest owners or managers of mid-sized and large forests monitor activities within and adjacent to HCVFs that may affect HCVF attributes (see Criteria 7.2, 8.1 and 8.2). Monitoring is adequate to track changes in HCV attributes, and may include informal observations. When monitoring detects changes to HCV attributes, the changes are documented.</p>	C	Can't be determined due to lack of an assessment for HCVF on Classified Forest lands (see <b>Major CAR 2008.18 [CLOSED]</b> ). This indicator is thought to apply at the group level. (Note: HCVF monitoring has been addressed at the group level in the Umbrella Management Plan)

## 1.1 Controversial Issues

The audit team found it difficult to assess some indicators given that the Division of Forestry District Foresters had no control over, or involvement in, harvest operations. For these reasons, the team could not interview the foresters or loggers who implemented the harvest operations that were inspected. On a related note, there were no records of herbicides that were applied on individual group member parcels. As discussed above, however, the Division of Forestry has enhanced the role of District Foresters during harvest operations and has developed additional protocols related to recording herbicide use, as observed during the November 2009 follow-up audit.

The Division of Forestry has chosen to have an opt-out FSC group certification system. While the team recognized the benefit of attempting to draw in the largest number of potential members, it also concluded that this meant that the certificate would cover all manner of forest management down to and including simple high-grading. The team felt that an opt-in program of highly-motivated landowners would have an easier time meeting the FSC standards.

The Division of Forestry was undergoing an internal assessment of a state-wide chain-of-custody assessment at the time of the initial assessment and did not have any plans for stump-to-gate chain-of-custody for the Classified Forest Program. In addition, harvest volumes are not tracked from individual properties, further complicating our assessment of chain-of-custody. Since the initial assessment, the Division of Forestry has developed stump-to-gate chain-of-custody procedures for group members.

## **2.0 TRACKING, TRACING AND IDENTIFICATION OF FOREST PRODUCTS**

The Indiana DNR Division of Forestry was in the midst of an internal planning process for a state-wide chain-of-custody system that would potentially cover landowners, logging contractors, sawmills, secondary processors, and manufacturers. For that reason, the Division had not prepared any documentation regarding stump-to-gate processes covering the harvest of logs from Classified Forest Program properties. For this reason, chain-of-custody could not be evaluated. In addition, harvest volumes from individual group member properties are not tracked by the Division of Forestry (see **Major CAR 2008.16 [CLOSED]**).

Subsequent to the initial evaluation, the Division of Forestry developed stump-to-gate chain-of-custody procedures for its group members. Each group member will have a unique chain-of-custody sub-code, based on the parent code and the parcel number, and will be required to comply with the group's chain-of-custody procedures. Chain-of-custody in this instance covers logs and chips and future assessments may be warranted should group members wish to sell lumber, manufactured products, or non-timber forest products.

## **3.0 GROUP MANAGEMENT**

NOTE: FSC-STD-30-005 was approved in August of 2009 with an effective date of January 1, 2010. All group management operations evaluated after this date must be evaluated to this new standard and demonstrate conformance by January 1, 2011. The Indiana Classified Forests evaluation took place prior to the effective date of the group standard. The Indiana Classified Forests will be evaluated to the new group standards during the first annual audit of the program, which should take place in the coming year.

Division of Forestry should note that these standards have more intricate group sampling requirements, stricter document control, and further divisions of responsibilities.

### 3.1 Division of Responsibilities

The Division of Forestry has prepared draft documents explaining the role of the Division versus the role of group members. These documents, however, have yet to be finalized and sent to group members. There are no officially enrolled group members at this time.

The Division of Forestry has prepared a draft Indiana Classified Forest Certified Group (ICFCG) document that describes responsibilities for DNR staff as well as those for group members (i.e., landowners). Briefly, the division of responsibilities is envisioned as:

- District Forester
  - Conduct initial field inspection to determine eligibility for ICFCG
  - Educate potential and existing group members on certification standards and group member responsibilities
  - Ensure that a qualifying management plan is developed prior to classification and certification (all plans must be approved by the District Forester and this includes checking the Natural Heritage database)
  - Conduct 5-year re-inspections (internal audits) of certified owners
  - Resolve certification violations through negotiations, corrective actions or processing group departures
  - Maintain group member and certified parcel files
  - Attend continuing education on certification-related topics
- District Wildlife Biologists
  - Provide technical expertise on wildlife management
  - Prepare or assist the District Forester in the development of property management plans for group members whose primary objective is wildlife management
- Classified Forest & Wildlands Program Manager
  - Maintain the state-wide database of group members
  - Complete annual reporting and applicable fee payments to Forest Stewardship Council
  - Provide overall group guidance and direction
  - Conduct quality reviews of field offices annually
  - Process contested mandatory withdrawals for certified group
  - Provide continuing education for staff, cooperators, and group members
  - Ensure the use of FSC logos are in accordance with FSC guidelines
  - Attend continuing education on certification-related topics
- Professional Foresters
  - Write qualifying management plans for group members; management plans must be approved by the Division of Forestry District Forester
  - Conduct management activities for group members in accordance with the group member's management plan, Classified Forest & Wildlands Program policies, and certification standards
- Group Members
  - Voluntarily opt-out or join the ICFCG

- Conform to FSC certification standards
- Follow the management plan
- Attend continuing education on certification-related topics
- Ensure that no FSC-banned pesticides are used on certified parcels
- Keep records of management activities, including timber harvests, harvest of non-timber forest products, pesticide applications, etc.

### 3.2 Conformance with Group Management Criteria

The Division of Forestry is drafting guidelines for how the group will be structured and managed, including a preliminary breakdown of responsibilities (see Section 3.1). Potential group members, however, have yet to be invited so conformance with group management criteria that are being actively employed was not possible at this time.

### 3.3 Group Sampling and surveillance.

Forest management units (parcels) were selected at random to represent recent management activities on a range of parcels throughout the state, encompassing a range of Division of Forestry management Districts, landowner types, forest types, and activity types (e.g., timber harvest, TSI).

Upon certification, annual surveillance audits will be conducted.

### 3.4 Group Size and Scope

Enrollment in the Indiana Classified Forest Certified Group is voluntary, but interested landowners must meet the following criteria:

- Be enrolled in the Classified Forest & Wildlands Program
- Own 10 acres or more of forest in one enrolled parcel
- Meet the Forest Stewardship Council Principles and Criteria

### 3.5 Group Members

The Division of Forestry maintains a database of all properties enrolled in the Classified Forest Program and provided the audit team a draft list of potential group members, number well over 7,000.

### 3.6 Group Management Evaluation

Requirement	C/N/C	Comment/CAR
<b>Group Management</b>		
<b>C1 Authority of the group entity.</b>	C	
1.a. In order to be eligible to apply for	C	State of Indiana

group certification, the group applicant must be an independent legal entity or an individual acting as a legal entity.		
1.b. The group entity's responsibilities, for example with respect to management planning, monitoring, harvesting, quality control, marketing, processing, etc., shall be clearly defined and documented.	NC	Draft documents defining the group entity's responsibility have been prepared but have yet to be implemented (see <b>Minor CAR 2008.11</b> ).
1.c. The group entity shall be contractually responsible to the certification body for ensuring that the <i>FSC P&amp;C</i> are fully implemented by all members of the group.	C	Division of Forestry would contract with the certification body of record.
1.d. The group entity shall be responsible for ensuring that any conditions on which certification is dependent, and any corrective actions issued by the certification body thereafter, are fully implemented.	C	Division of Forestry would be responsible.
1.e. The group entity shall have the authority to remove members from the scope of the group certificate if the requirements of group membership, or any corrective actions issued by the certification body, are not complied with.	C	Division of Forestry has such authority.
1.f. The group entity shall have sufficient legal and management authority and technical support to implement the responsibilities specified in 1.b-1.e. above.	C	The Division of Forestry has that authority and technical support.
<b>C2 Group membership requirements and responsibilities.</b>	C	
2.a. The group entity must have clear rules regarding eligibility for membership of the group certificate.	C	Group membership eligibility criteria have been drafted, but have yet to be sent to potential group members.
2.b. The group members' management responsibilities, for example with respect to management planning, monitoring, harvesting, quality control, marketing, processing, etc. shall be clearly defined and documented.	NC	Draft group member responsibilities have been prepared, but have yet to be sent to potential group members. The team's conclusion is that the draft responsibilities are too general to ensure full compliance with the FSC standards (see <b>Minor CAR 2008.12</b> ). (Note: Adequate materials were mailed to group members following the initial evaluation and public meetings were held throughout the state)
2.c. If new members can join the certified group after a certificate has been awarded, the group entity shall have clear, documented procedures for this. It is recommended that new group members	C	The draft ICFCG document provides general guidelines for adding new members that include an initial site inspection to determine eligibility by the

must complete a probationary period or initial inspection before any products from their forest area are eligible to enter into a certified chain of custody, and hence to carry the FSC Logo.		District Forester.
<b>C3 Informed consent of group members.</b>	C	Group members have yet to be provided with documentation explaining the terms of group membership, allowing them the opportunity to make an informed consent to remain in the group (see <b>Major CAR 2008.19 [CLOSED]</b> ).
3.a The group entity must provide each group member with documentation, or access to documentation, specifying the relevant terms and conditions of group membership. The documentation shall include:	C	See <b>Major CAR 2008.19 (CLOSED)</b> . The team notes that it was a strategic decision on the Division of Forestry's part to hold off on mailing this information until after the audit.
i) Access to a copy of the Forest Stewardship Standard to which the group is committed;	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
ii) Explanation of certification process;	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
iii) Explanation of certification body's, and FSC's, rights to access to the group members' forests for the purposes of evaluation and monitoring;	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
iv) Explanation of certification body's, and FSC's requirements with respect to public information;	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
v) Explanation of any obligations with respect to group membership, such as: a) maintenance of information for monitoring purposes; b) use of systems for tracking and tracing of forest products; c) requirement to conform with conditions or corrective actions issued by the certification body; d) any special requirements related to marketing or sales of products covered by the certificate; e) other obligations of group membership; and	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
vi) Explanation of any costs associated with group membership	C	See <b>Major CAR 2008.19 (CLOSED)</b> .
3.b A 'consent form' or its equivalent must be signed by each group member or the member's representative who voluntarily wishes to join the certification scheme. The consent form: i) acknowledges and agrees to the obligations and responsibilities of group membership;	C	State proposing to use "opt-out" procedure, but consent form has yet to be sent to eligible landowners. (Note: Opt out forms have been mailed to landowners)

ii) agrees to membership of the scheme for the full period of validity of the group certificate; and iii) authorizes the group entity to apply for certification on the member's behalf.		
<b>C4 Group Records</b>	C	
4.a The group entity shall be responsible for maintaining the following records up to date at all times:	C	
i) List of names and addresses of group members, together with date of entry into group certification scheme;	C	The Division of Forestry has a draft database of potential members and will update this database after the invitation to join is mailed out (see <b>Major CAR 2008.19 [CLOSED]</b> ).
ii) Maps of all forest areas included in the group certification;	C	GIS has maps of all Classified Forest properties.
iii) Records demonstrating landownership of group members;	C	The District Forester confirms ownership during the initial enrollment into the Classified Forest Program.
iv) Evidence of consent of all group members, preferably in the form of a signed 'consent form' (see 3.b)	C	Eligible group members have not been invited yet (see <b>Major CAR 2008.19</b> ).
v) Relevant documentation and records regarding forest management of each group member (e.g. management plans, summary information regarding silvicultural system, management operations, volume production);	NC	Management plans are frequently out-of-date; some information on harvests, but not on silvicultural systems (see applicable CARs under FSC Regional Standards).
vi) Records demonstrating the implementation of any internal control or monitoring systems (see 1.b - 1.e above). Such records shall include records of internal inspections, non-compliance identified in such inspections, actions taken to correct any such non-compliance;	C	Evidence of 5-year re-inspections for the purposes of the Classified Forest Program, but need to define internal controls and monitoring relevant to FSC P&C. Evidence will accumulate as group is formed and underway.
vii) Relevant documentation regarding production and sales; and	NC	FSC will require monitoring volume records for harvests (i.e., volume actually harvested). Estimates may be OK if logs not sold as FSC-certified. See CAR related to chain-of-custody.
viii) The date of leaving of any group members, and an explanation of the reason why the member left the group.	C	The Division of Forestry maintains records of landowners who choose to leave the Classified Forest Program or who are removed for failure to comply with regulatory requirements.
4.b The same documentation shall be archived for at least 5 years.	C	DF has history of long-term file maintenance.
<b>C5 Certification Costs</b>	C	
5.a The group entity shall be fully responsible to the certification body for	C	The Division of Forestry will contract with SCS.

paying all the costs of evaluation and monitoring throughout the period of validity of the certificate. The group entity may divide these costs amongst group members as it deems appropriate		
5.b The group entity may not issue sub-licenses for use of the FSC Logo or other FSC Trademarks.	C	The Division of Forestry will be under contractual obligation to SCS, which includes restrictions and controls on logo use.
<b>C6 Group Turnover</b>	C	
6.1 If a group member joins or leaves either the group or the group certification scheme, the group entity shall inform the certification body within one month.	C	The Division of Forestry will be under contractual obligation to SCS, which includes a requirement for such notifications.