

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

Willapa Land and Dendrology Corporation

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00080GN**

Submitted to:

Willapa Land and Dendrology Corporation

South Bend, WA

**Lead Author:
Brendan Grady**

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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 B contains more detailed results and information for the use of the Willapa Land and Dendrology Corporation.

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SECTION A. PUBLIC SUMMARY & BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC DATA REQUEST

Name and contact information for the certified operation:

- Applicant entity: Willapa Land and Dendrology Corporation
- Contact person: Allen Lebovitz
- Address: P.O. Box 1027, South Bend, WA 98586
- Telephone: 425-681-0028
- E-mail: alebovitz@willapabay.org
- Certified products: alder, spruce, hemlock, fir, cedar and other logs
- Number of Acres/hectares certified: 120 ac (49 ha)
- Nearest Town: Knappton, WA 46.2765°N, 123.8149°W (46°, 16', 35.4" N; 123°, 48', 53.7" W)
- Biome: Temperate Conifer Forest
- Tenure: Private
- Forest Composition: western hemlock, Sitka spruce, Douglas-fir, western red cedar, red alder, big leaf maple
- Managed as: Natural Forest

1.2 GENERAL BACKGROUND

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Willapa Land and Dendrology Corporation (WiLD) to conduct a certification evaluation of its Knappton Cove forest estate. 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 2004, 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 2 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team assigned performance scores to the 56 FSC Criteria and, from those scores, generated weighted average performance scores for each of the 10 FSC Principles, in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Willapa Land and Dendrology Corporation for the management of its Knappton Cove forest estate. 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).

1.3 FOREST MANAGEMENT ENTERPRISE

1.3.1 Background Information

Willapa Land and Dendrology Corporation (WiLD) is a land management company specializing in ecosystem restoration, both terrestrial and aquatic, around the Willapa Bay Watershed in south-western Washington. The president and ecologist, Allen Lebovitz, has been the principle of Coastal Watersheds Consulting since 1997. This consulting company specialized in identifying forest areas in need of restoration work (focusing on improving salmon habitat) and assisting land owners in managing them. They also specialized in road restoration, erosion control, and wildlife monitoring. WiLD represents a shift in scope towards direct land management instead of consulting for other forest land owners. Their business strategy is to acquire and manage lands in need of restoration. Funds for management activities will come from limited harvesting done on these lands. WiLD also operates as a contract logger for other local forest land owners. While their focus is primarily to own their own lands, WiLD is seeking a group management certificate so they will be able to offer contract services for their restoration work for other landowners as long as their goals are compatible.

Knappton Cove is the first property enrolled in the WiLD Group management scheme. This 120 acres parcel sits along a bend in the Columbia River near Astoria, OR. While this area is just outside of the Willapa Bay watershed, the stand conditions are consistent with WiLD's management goals. This property was harvested twice before, once prior to 1900 and again in the mid 1960's. Early harvest removed high value Douglas-fir and Sitka spruce. The later harvest clear-cut most of the site without replanting conifers. The resulting forest is a stand of dense red alder with remnant old growth hemlock and spruce.

The neighboring forests to Knappton Cove are all owned by large timber management companies practicing industrial management. Most of the forest land in the Willapa Bay watershed is typical of this mix of large timber owners and small non-industrial owners. The Nature Conservancy and the U.S. Fish and Wildlife Service also own forests in the region.

1.3.2 Management Objectives

The stated objectives of WiLD's forest management operations are to conserve functioning ecological systems, restore damaged ecological systems, and access valuable stands of timber to fund forest land management and provide a profit to employees and shareholders. WiLD is focused on acquiring and managing lands with the potential to benefit the most from restoration and conservation.

The specific goals for the Knappton cove property are to restore the forest to one more resembling its pre-European stand structure and diversity, relying on historical data such as a 1908 cruise done by the Government Land Office. WiLD is planning on thinning the red alder that has taken control of the site and replanting conifers in order to replicate the original stand conditions. WiLD is actively seeking a conservation easement with the Columbia Land Trust to ensure the preservation of their land after restoration operations have been completed.

Stream restoration is also a major focus of WiLD's management. They have experience on multiple fish habitat restoration projects in the Willapa bay area, specializing in large woody debris placement and aquatic fauna monitoring.

1.3.3 Silvicultural Systems

WiLD is planning a single entry, consisting of a crown thinning of the red alder that has taken control of the site. The cutting regime calls for removing all red alder above 8" DBH. This cut will open up the canopy to release young conifers in the stand. The regeneration will be supplemented with a planting regime designed to move the species ratio in the forest closer to its pre-European state.

A small stand of young hemlock in the harvest area will be thinned in order to promote growth and help develop mature forest conditions, but no mature conifers will be harvested in this operation.

The long term plans for the site are to restore the stand to old-growth type conditions. No further harvests are planned, but further thinning or pruning could occur in order to accelerate the transition to a mature forest system. WiLD is seeking a conservation easement which may preclude future operations.

1.3.4 Estimates of Maximum Sustainable Yield

WiLD is not currently interested in harvesting sustainably on their land over a long time scale. Their management regime is based around a single restoration cut and then complete preservation, possibly in a conservation easement. As such, no estimates of maximum sustainable yield have been included in their management plan. More complete data will be required of WiLD if at a later time they engage in a multiple entry silvicultural scheme.

1.3.5 Estimated, Current and Projected Production

Knappton Forest	Pulp Mb/ac.	Sawlog Mb/ac.	Mbf/acre Average	Total Mbf	Planned Harvest
Cruise				119 Acres	2004 Mbf
Red Alder	7.9	8.7	16.6	1975.4	1,000

Western hemlock	2.7	321.3
Sitka Spruce	1.9	226.1
Bigleaf Maple	1.0	119.0
Douglas-fir	0.14	16.7
Western-red-cedar	0.20	23.8
Total Other	5.94	706.86

WiLD has inventory data based on a timber cruise completed in January of 2004. As WiLD is not planning any future harvests, they have not collected growth data or completed projected production rates. Their planned 2004 harvest amount is based on applying their silvicultural prescription (see section 1.3.3) over their management area.

1.4 ENVIRONMENTAL AND SOCIOECONOMIC CONTEXT

1.4.1 Environmental Context

The Knappton Cove Forest is on the Columbia River, near its mouth. The forest was originally composed of mainly Western Hemlock, Sitka Spruce, and Douglas-fir, and existed primarily in an old-growth state before it was clear cut in the mid 1960's. The forest was not replanted, and the conifer forest that exists before the clearcut has not returned. Due to its proximity to a major waterway and the number of smaller waterways running through the property, red alder was present in the historic forest at a low level. After the parcel was clearcut and not replanted, the alder took control of the site. The forest currently consists of a dense cohort of mature alder with scattered remnants of old growth.

There are a number of threatened and endangered species in the region, including Marbled murrelets, northern spotted owls, bald eagles, Chinook salmon and other salmon species. WiLD's management plan is designed around improving habitat for many species needing old-growth type stands. Elk and deer are common throughout the region, and hunting is a major recreational activity.

The soils on the site are mostly silt-loam soils from the Lytell-Astoria series. In some areas the ground is highly erodable, and poor management practices on neighboring land have led to mass wasting events.

1.4.2 Socioeconomic Context

Astoria, Oregon is the largest city in the area. Aside from those employed in the city, most of the economy of the region is typical of the rural Pacific Northwest. The timber industry is a major factor in the region's economy, along with commercial fishing. Most of the commercial timberland in the region is owned by a few large companies, including Weyerhaeuser, Hampton Affiliates, and the Campbell Group.

A U.S. Forest Service report (Daniels 2004)¹ analyzing the socioeconomic resiliency in the counties in Washington listed Pacific County, in which WiLD primarily operates, as a "county of concern". Counties were given this designation when economic data showed that they had low economic resiliency (found by averaging lifestyle diversity, economic diversity, and population density) and high forest dependence (determined by percent of land in forest cover). Forest dependence in this context includes the traditional forest products sector as well as non-timber uses such as recreation. Pacific county is particularly affected by land management decisions made on government-owned land. The county is also designated a "distressed area" by Washington's Employment Security Department, indicating its average unemployment rate of the last three years is 120 percent or more than the statewide unemployment rate. Many of the surrounding counties have similar ratings of dependency on forest resources.

1.4.3 High Conservation Value Forest

As required by FSC Principle 9, the certification auditor emphasized the importance of maintaining qualifying sites as High Value Conservation Forest within the defined forest area, and audited accordingly. HCVF may include unique or threatened ecological areas and/or areas of cultural significance that must be managed so as to maintain the attributes that make them of high conservation value. That is, HCVF cannot be converted to other types of forest cover lacking in the attributes that make these areas HCVF.

WiLD is well aware of the FSC requirements for HCVF and have made restoring and preserving HCVF a focal point of their management. All old growth stands on their property are in no-cut zones, and their silvicultural regime is designed to accelerate the development of young stands to old-growth type systems.

1.5 ADMINISTRATIVE CONTEXT

As a forest management enterprise located in Washington, management of WiLD is subject to a host of local, state and federal regulations. The principal regulations of greatest relevance to forest managers in Washington are associated with the following statutes:

Pertinent Regulations at the Federal Level:

¹ Daniels, Jean M. 2004. Assessing socioeconomic resiliency in Washington counties. Gen. Tech. Rep. PNW-GTR-607. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station. 35 p.

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:

State Environmental Policy Act (SEPA)

Washington Forest Practice Rules

1.6 PRODUCTS PRODUCED

WiLD's current harvesting plans are to produce red alder logs. Their chain of custody certificate will include logs of other common timber species in the Pacific Northwest, including western hemlock, sitka spruce, Douglas-fir, western red cedar, red alder, and big leaf maple.

1.7 CHAIN-OF-CUSTODY - TRACKING, TRACING AND IDENTIFICATION OF PRODUCTS

At the request of the certification applicant, SCS conducted a joint forest management and chain-of-custody certification evaluation of the defined forest area. With respect to the lands managed by WiLD, the chain-of-custody focus is on the "stump to forest or mill gate." That is, chain-of-custody begins with the severing of a standing tree to produce a merchantable log and ends with that log(s) leaving the custody of the WiLD, at the "forest or mill gate." During the fieldwork for the forest management evaluation, the evaluation team investigated the manner by which WiLD maintains chain-of-custody of timber as it moves from the stump to the mill gate. As is detailed in Section B2.0 of this joint FM/COC certification evaluation report, it is the conclusion of the SCS evaluation team that WiLD's meet the FSC Principles of Chain-of-Custody.

However, WiLD is also seeking an expanded chain of custody certificate that will allow them to act as a log broker for other FSC certified forests in the area. WiLD intends to purchase both logs and stumpage (in which case they would act as the logger) from FSC certified forests and resell it to certified mills. Because of this unusual situation, SCS has issued a minor CAR that WiLD create a more formalized chain of custody system before they begin to sell FSC certified logs. Upon successful closure of this CAR, WiLD will be able to sell FSC certified logs from lands enrolled in their group scheme as well as purchase FSC wood, either as standing timber or already cut logs, from other certified forests.

1.8 OTHER ACTIVITIES

The Knappton cove forest is a frequent destination for boaters, given its scenic location along the Columbia River. The site is also a possible destination for other recreation activities such as fishing and hunting. Some non-timber forest product collection occurs on the property (collecting cedar boughs), for which WiLD has proper policies. There is one person that has constructed a temporary shack on the property near the river. This could become a safety and liability issue, and a CAR has been issued to deal with the situation before harvesting begins.

2.0 THE CERTIFICATION ASSESSMENT PROCESS

2.1 ASSESSMENT DATES

The assessment began on October 15, 2004, when SCS received and reviewed WiLD's management plan and associated documents. The field portion of the certification assessment took place on October 20-21, 2004.

2.2 ASSESSMENT TEAM

Due to the small size of WiLD's management area, a one man team was employed for this assessment.

Brendan Grady, Certification Auditor:

Brendan Grady is a staff forester with Scientific Certification Systems, focusing on the Forest Conservation Program. He received his B.S. in Forestry from the University of California, Berkeley, in 2004. His previous experience includes forestry work with the California Department of Forestry and Fire Protection and research on tropical plantations in Moorea, French Polynesia, with the Service du Developement Rurale.

2.3 ASSESSMENT PROCESS

Scoping for the assessment took place via phone conversations and correspondence between WiLD and SCS during early October, 2004. This correspondence was followed by a detailed request for information from SCS, which the auditor reviewed before beginning the field portion of the audit. Formal initiation of the assessment process began with an initial meeting beginning in the afternoon of October 20, 2004 with Allen Lebovitz, President and Ecologist of WiLD, in Astoria at the hotel of the auditor. The initial meeting focused on discussing the audit process, interviewing Mr. Lebovitz, and compiling information relevant to the Pacific Coast Standard against which WiLD's operation was to be assessed. The meeting continued over dinner with a discussion of WiLD's business strategy and the future of FSC in the Pacific Northwest. Stakeholder notification and consultation began in September 2004, one month prior to the evaluation as per SCS protocols.

The field portion of the evaluation took place on October 21, 2004.

The field audit agenda/itinerary was:

October 20

P.M.

Office Interview and Document Review with Allen Lebovitz

October 21

A.M.

All sites visited with Allen Lebovitz and James Powell, WiLD's head forester.

Bear River- visited riparian and stream restoration and monitoring projects

Spyder Creek- examined large woody debris placement and road removal

Greenhead Slough- examined half-dome pipe removal, road and stream crossing restoration

P.M.

Knappton Cove- visited area to be harvested, examined sample tree mark, old growth protection zone, riparian protection, legacy road issues, landing placement, past landslides, property boundaries, etc.

The scoring of WiLD's forest management operation against the applicable standard was completed at SCS headquarters after the evaluation.

2.3.1 Main Items and Places Inspected

The focus of the evaluation was Knappton Cove, the single property being enrolled in WiLD's group scheme. Sites of past restoration projects were also visited.

2.3.2 Justification for selection of items and places inspected

This audit presented some analytical challenges because WiLD is a relatively new business. The pre-harvest work had been done on Knappton Cove (i.e., flagging roads, boundaries, and buffers, and marking leave trees), but no harvesting had begun. In order to accommodate this, the morning of the field visit was spent visiting projects completed in the past by WiLD and Coastal Watersheds Consulting (WiLD's consulting subsidiary) on forest land which was otherwise outside of the scope of this certification. These visits focused on reviewing the type of restoration project WiLD is planning for Knappton Cove, a red alder removal and stream restoration. In the afternoon, the investigation moved to Knappton Cove. Given the small size of the property (120 ac) the group was able to cover most of the property quickly. The evaluation team was satisfied that the on-site field inspections were sufficient in scope and intensity for reaching a certification decision.

2.4 STAKEHOLDER CONSULTATION

2.4.1 Summary of Legal and Customary Use-rights

The Knappton Cove property is a common recreation destination for boaters, hunters and fishers. There are no indigenous peoples' claims of customary use-rights on the property.

2.4.2 Identification of Stakeholders Influenced by the Enterprise and Description of 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 WiLD's management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

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

- WiLD employees, including headquarters and field
- adjacent property owners
- Pertinent Tribal members and or representatives
- Members of the Pacific Coast FSC Working Group
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations
- Forest industry groups and organizations
- Local, State and Federal regulatory agency personnel

The evaluation team contacted individuals and organizations within each of these stakeholder groups. In total 6 individuals commented on the evaluation, all via phone calls or in-person interviews (see section 2.4.3 for a summary of their comments). A total of 52 groups and individuals were sent, via email or regular mail, a public notice describing the upcoming evaluation and were offered opportunities to solicit comments (Appendix 5.4). Additionally, 2 other stakeholders were contacted via phone during the assessment, but did not return phone calls. Names of groups and individuals that commented and were willing to allow names be listed in the report, as well as those who were contacted but did not respond, are listed in Appendix 5.5.

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

Community Groups & Local Residents, Including Indigenous Peoples

Comment/Concern	Response
<ul style="list-style-type: none"> Allen Lebovitz and WiLD are a strong positive force for the local community, especially the local forestry industry. 	Considered during scoring of Principles 4 and 5
<ul style="list-style-type: none"> Having a local resource manager like WiLD allows for forest management decisions to be made at a local level instead of by outside landowners (industrial timber companies, federal and state agencies, etc.) 	Considered during scoring of Principles 4 and 5

Governmental Organizations

Comment/Concern	Response
<ul style="list-style-type: none"> Allen has been successful in past riparian restoration projects and has no citations against him for violating state environmental laws. 	Considered during the scoring of Principles 6, 8 and 9

Employees and Contractors:

Comment/Concern	Response
<ul style="list-style-type: none"> Allen is described as being a fantastic employer, providing high wages for the area, steady work and benefits. 	Considered during scoring of Principle 4
<ul style="list-style-type: none"> WiLD's business plan may rest on uncertain economic ground 	Further investigated with other relevant stakeholders, minor corrective action request issued.
<ul style="list-style-type: none"> WiLD's principle financial lender demonstrated complete confidence in their economic sustainability 	Considered during scoring of Principle 5

Environmental Organizations

Comment/Concern	Response
<ul style="list-style-type: none"> Strong experience dealing with road decommissioning, watershed analysis, stream habitat restoration 	Considered during scoring of Principle 6
<ul style="list-style-type: none"> WiLD has little experience as forest managers in the local timber industry 	Considered during scoring Principle 5

2.5 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in southern Washington, the certification evaluation that is the subject of this report was conducted against the duly-endorsed *FSC Pacific Coast Regional Forest Stewardship Standard*. The standard is available at the FSC-US web site or is available, upon request, from Scientific Certification Systems.

2.6 SCORING PROCESS

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

Interpretations of Preconditions (Major CARs), CARs and Recommendations

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

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

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

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

3.0 RESULTS, CONCLUSIONS AND RECOMMENDATIONS

Table 3.1 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 calculated performance scores for each principle as well as the corrective action request (car) numbers related to each principle.

TABLE 3.1 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	Performance Score and CAR/REC #s
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ WiLD has a track record of following laws and undergoing intensive permitting processes. ▪ All the principles of WiLD are extremely supportive, knowledgeable and enthusiastic about the Forest Stewardship Council. The president, Allen Lebovitz, has acted as an FSC auditor before for a different certification body and is active in encouraging other local landowners and mills to get FSC certification ▪ WiLD is not in violation of any major international agreements 	<ul style="list-style-type: none"> ▪ There is an illegal squatter tarp setup on the property near the Columbia river. There is a single squatter that Mr. Lebovitz has made contact with and who sometimes inhabits the property 	<p style="text-align: center;"><u>85</u> CAR 2004.2 Because of the safety and liability concerns associated with the squatter living in Knappton Cove, prior to start of logging operations, WiLD must undertake specific actions to resolve the legality of the squatter's presence on the property. If WiLD allows the squatter to remain on the property, it must be ensured that he is not present while active harvesting is occurring.</p>
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ A properly notarized land deed was present for WiLD's property ▪ Knappton Cove is a common destination for boaters, hunters and other recreationalists. Proper measures have been taken to ensure that WiLD's forest management does not negatively impact any of these resources. ▪ WiLD has never been a party to any land tenure disputes property 	<ul style="list-style-type: none"> ▪ WiLD does not have a formal dispute resolution system 	<p style="text-align: center;"><u>89</u></p>

<p>P3: Indigenous Peoples' Rights</p>	<ul style="list-style-type: none"> ▪ An informal survey for archeological sites has been done on WiLD's land. 	<ul style="list-style-type: none"> ▪ Archeological survey did not include representatives of local tribes or a professional archeologist. 	<p>80 CAR 2004.3 By the year 1 surveillance audit, WiLD shall develop and implement standard procedure for notifying representatives from Tribes interested in properties that WiLD manages. Tribal representatives shall be invited to participate in identifying any sites of current or traditional significance on properties to be included in WiLD's group management scheme and be given an opportunity to comment on any management that might affect tribal resources. Unsuccessful attempts to contact tribal representatives shall be documented.</p>
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<p>P4: Community Relations & Workers' Rights</p>	<ul style="list-style-type: none"> ▪ WiLD's employee compensation is well above average for the region. ▪ Safety meetings are held with the logging crew in accordance with state law and minutes are kept of the meetings. ▪ WiLD has demonstrated a preference for local procurement of services, including local banking and insurance ▪ WiLD maintains appropriate liability insurance ▪ Adjacent landowners are well aware of WiLD's operations 	<ul style="list-style-type: none"> ▪ No formal social impact study has been done. 	<p style="text-align: center;"><u>88</u></p>
<p>P5: Benefits from the Forest</p>	<ul style="list-style-type: none"> ▪ The president of WiLD, Allen Lebovitz has been active in the local business community for ten years, previously with Coastal Watersheds Consulting and now with WiLD. ▪ WiLD has a commitment to using local mills and developing local specialty, value-added processing. They are attempting to use their certified wood flow to push a local mill over the edge ▪ Fishery restoration is one of WiLD's main management objectives. This is being done through erosion control and large woody debris placement in streams that could provide fish habitat. ▪ WiLD operates as a contractor for other forest management operations in the region, providing logging services as well as consulting on restoration, erosion control, and fauna monitoring through their subsidiary consulting company, Coastal Watershed Consulting. 	<ul style="list-style-type: none"> ▪ WiLD is still a young business and is highly leveraged financially. ▪ WiLD's timber management is currently entirely centered on acquiring one type of stand only, areas that have unnaturally high levels of red alder due to past clearcuts and poor conifer regeneration. ▪ It is unclear how unforeseen changes in the market for red alder would affect WiLD's forest management 	<p style="text-align: center;"><u>86</u> REC 2004.1 WiLD should consider expanding their forest management services to landowners interested in sustainable forest management instead of focusing solely on restoration and conservation operations.</p>

<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> ▪ Management is designed around restoring the forest to its pre-European structure and diversity. ▪ Surveys have been done to identify rare plants and animals on the property. The management plan expressly states that such surveys will be standard for any new lands brought into the group. ▪ Surveys have been done to identify rare plants and animals on the property. The management plan expressly states that such surveys will be standard for any new lands brought into the group. ▪ WiLD has a complete old-growth protection policy, with all areas containing old-growth trees being no-cut zones. ▪ WiLD only uses cable yarding to avoid the soil disturbance associated with ground skidding. ▪ Areas of high erosion potential have been mapped out and are avoided. ▪ No pesticides are used in their forest management. ▪ No biological control agents or genetically modified organisms are used in their management. ▪ WiLD is actively seeking conservation easements on their land. 	<ul style="list-style-type: none"> ▪ The management plan does not include any specific measures for surveying and control of exotic species. 	<p style="text-align: center;"><u>92</u> REC 2004.2 WiLD should implement a monitoring and control system for invasive exotic species.</p>
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P7: Management Plan	<ul style="list-style-type: none"> ▪ Plan includes descriptions of special management areas ▪ Historical land uses are discussed and incorporated into the plan ▪ The silvicultural system is discussed in the plan and is appropriate for achieving their management goals. ▪ Extensive and high quality maps are included in plan ▪ Results of monitoring done on previous restoration and management projects is incorporated into new management plans ▪ The plan is available upon request 	<ul style="list-style-type: none"> ▪ Forest growth data is not included in the plan. ▪ WiLD does not have a website to post management documents 	<p style="text-align: center;"><u>89</u> REC 2004.3 WiLD should consider investing in a website to publicize their forestry services, management plans and other documents.</p>
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ WiLD has extensive fauna monitoring protocols in place, focused on fish and amphibian surveys. They have a history of monitoring aquatic restoration projects through CWC, their consulting subsidiary. ▪ Monitoring protocols are in place for regeneration, stand development, tree growth, and understory plant composition. ▪ All monitoring results are made public in cooperation with the Pacific Conservation district. 	<ul style="list-style-type: none"> ▪ This will be WiLD's first harvest of their own land, so records of timber-harvest volumes were not available. ▪ While WiLD has a chain of custody program, it is in non-conformance with some of the Chain of Custody indicators 	<p style="text-align: center;"><u>91</u> CAR 2004.4 Prior to sale of FSC logs WiLD must redesign their chain of custody system so that it conforms to the 6 principles of chain of custody. This CAR will be met upon SCS' review and approval of WiLD's revised COC documented control system.</p>

P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ Buffers have placed along Shorelines of State Interest and streams with potential salmon use. ▪ Regional surveys have been done in cooperation with local environmental NGO's to identify riparian areas in need of conservation and likely areas for acquisition by WiLD. ▪ WiLD is seeking a conservation easement for the entire property. 	<ul style="list-style-type: none"> ▪ No major weaknesses, particularly within the context of a 120-acre property 	<u>93</u>
Group Administration	<ul style="list-style-type: none"> ▪ The group entity is intimately involved with all land management decisions for the group member 	<ul style="list-style-type: none"> ▪ There is currently only one group member, which is a property wholly owned by WiLD. Given the nature of WiLD's one entry restoration work, stability of future group members could become an issue. 	<u>86</u> CAR 2004.1 Before any new group members are admitted to the group scheme, WiLD must expand the capacity and implementation of its group management system to conform to the indicators of the SCS Group Administration Principle. (see SCS Operations Manual)

3.2 CERTIFICATION RECOMMENDATION² AND JUSTIFICATION

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that Willapa Land and Dendrology Corporation be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 3.4. Willapa Land and Dendrology Corporation has demonstrated that their system of management is capable of ensuring that all of the requirements of the Pacific Coast Forest Stewardship Standard are met over the forest area covered by the scope of the evaluation. Willapa Land and Dendrology Corporation has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

3.3 PEER REVIEWERS

Because this forest management operation qualifies as a SLIMF (small or low intensity managed forest), no peer review is required.

3.4 PROPOSED CARS ATTACHED TO CERTIFICATION

CAR 2004.1 Before any new group members are admitted to the group scheme, WiLD must improve its group management system to conform to the indicators of the group administration principle found in the SCS Operations Manual.

CAR 2004.2 Due to possible safety and liability concerns, the squatter living in Knappton Cove must be formally dealt with before harvesting operations begin. If WiLD allows the squatter to remain on the property, it must ensure that he is not present while active harvesting is occurring.

CAR 2004.3 By the year 1 surveillance audit, WiLD shall develop a standard procedure for notifying a representative from every active tribe in the area whenever new land is acquired. Tribal representatives shall be invited to participate in identifying any sites of current or traditional significance on properties to be included in WiLD’s group management scheme and be given an opportunity to comment on any management that might affect tribal resources. Unsuccessful attempts to contact tribal representatives shall be documented.

CAR 2004.4 WiLD must redesign their chain of custody system so that it conforms to the 6 principles of chain of custody before they sell logs as FSC-certified.

² Under SCS/FSC protocols, audit teams do not render formal certification decisions; that responsibility rests with the SCS Certification Committee. Rather, the audit team formulates a recommendation that is centrally considered by the SCS Certification Committee.

REC 2004.1: WiLD should consider expanding their forest management services to landowners interested in sustainable forest management instead of focusing solely on restoration and conservation operations.

REC 2004.2 WiLD should implement a monitoring and control system for invasive exotic species.

REC 2004.3: WiLD should consider investing in a website to publicize their forestry services, management plans and other documents.

4.0 AUDITS

4.1 2005 Annual Audit

4.1.1 Assessment Dates

For the 2005 Annual Audit, a one and half day evaluation took place from December 6-7, 2005

4.1.2 Assessment Personnel

Brendan Grady performed this Annual Audit

Brendan Grady, Certification Forester:

Brendan Grady is a staff forester with Scientific Certification Systems, focusing on the Forest Conservation Program. He received his B.S. in Forestry from the University of California, Berkeley, in 2004. His previous experience includes forestry work with the California Department of Forestry and Fire Protection and research on tropical plantations in Moorea, French Polynesia, with the Service du Developement Rurale.

4.1.3 Assessment Process

The annual audit began on December 6, with a discussion of outstanding CAR's and field evaluation of Knappton Cove, currently the only WiLD Group Member. The audit concluded on December 7 with a review of WiLD's role as a logging contractor and broker of certified logs on another FSC certified property.

December 6 AM

-Brendan Grady met with Allen Lebovitz for a visit to Knappton Cove. Field stops included observations of harvesting operations completed since the previous evaluation, post-harvest stand conditions, road and landing conditions, HCVF protection measures, and watercourse crossing abandonment. Also discussed was the permitting process for the harvest, including the implementation of a state conservation easement for the unharvested portion of the property.

December 6 PM

-The audit continued at a coffee shop in Astoria, where the status of open CAR's and Recommendations from the 2004 initial evaluation and planned operations for the coming year were discussed.

December 7 AM

-The auditor visited the City of Astoria Watershed, along with Allen Lebovitz and Mike Barnes, consulting forester for City of Astoria. WiLD has acted as a logging contractor on the Watershed, and sold logs under the WiLD chain-of-custody certificate. The auditor reviewed the WiLD COC procedures for this operation.

4.1.4 Status of Open Corrective Action Requests (CARs)

CAR 2004.1	Reference: Group Management Standards
Before any new group members are admitted to the group scheme, WiLD must improve its group management system to conform to the indicators of the group administration principle found in the SCS Operations Manual.	
Action Taken By Company/Auditor Comments	
The document entitled "Willapa Land and Dendrology Corporation Forestland Group Management and Forest Product Chain of Custody System" was provided to SCS and reviewed by the auditor. While improvements to the document had been made since the previous evaluation, a number of non-conformances still existed. In most cases, these non-conformances would be applicable only for "Contract Lands", that is, lands in the WiLD group not owned outright by WiLD. As this situation has not occurred yet, these non-conformances are not very troubling, and the CAR has not yet come due. See section 3.1 of the 2005 Annual Audit Report for more specifics.	
Status at the end of this audit: Open	

CAR 2004.2	Reference: Criterion 1.5
Due to possible safety and liability concerns, the squatter living in Knappton Cove must be formally dealt with before harvesting operations begin. If WiLD allows the squatter to remain on the property, it must ensure that he is not present while active harvesting is occurring.	
Action Taken By Company/Auditor Comments	
More information came to light since the original audit about the "squatter". He was actually a beachcomber who would only occasionally camp near the Columbia shore. When informed of the impending harvest, he left and has not been seen since. Road access was limited during harvesting operations, and signs were posted at access points to the forest to notify recreationalists and other interested parties.	
Status at the end of this audit: Closed	

CAR 2004.3	Reference: Criterion 3.2
By the year 1 surveillance audit, WiLD shall develop a standard procedure for notifying a representative from every active tribe in the area whenever new land is acquired. Tribal representatives shall be invited to participate in identifying any sites of current or traditional significance on properties to be included in WiLD's group management scheme and be given an opportunity to comment on any management that might affect tribal resources. Unsuccessful attempts to contact tribal representatives shall be documented.	
Action Taken By Company/Auditor Comments	
A standard policy for consulting tribal representatives, former land owners, and other community	

members has been added to the WiLD Group Management Policy. The policy could be improved by adding specific methods of how such consultations will take place. Despite this, the policy as stands is sufficient to address this non-conformance for the scale of WiLD's operations. No new properties have been added to the group management scheme, and as such the policy has not been implemented yet.
Status at the end of this audit: Closed

CAR 2004.4	Reference: Criterion 8.3
WiLD must redesign their chain of custody system so that it conforms to the 6 principles of chain of custody before they sell logs as FSC-certified.	
Action Taken By Company/Auditor Comments	
WiLD provided SCS with updated chain of custody procedures and logos in December 2004, shortly after their initial certification and prior to WiLD selling logs as FSC certified. The new policy satisfies the chain of custody requirements under the standard. WiLD has become a successful broker and logger of certified logs, especially red alder. The auditor observed a completed sale on another certified property (City of Astoria Watershed SCS-FM/COC-00053N) which WiLD had sold as certified.	
Status at the end of this audit: Closed	

REC 2004.1	Reference: Criterion 5.4
WiLD should consider expanding their forest management services to landowners interested in sustainable forest management instead of focusing solely on restoration and conservation operations.	
Action Taken By Company/Auditor Comments	
WiLD has considered offering more traditional forest management services, but deemed it not to be an attractive opportunity at the moment due to competition from other resource managers. Also, the originally defined business plan of acquiring small pieces of land for rehabilitation harvests expects to keep the company occupied for the foreseeable future.	
Status at the end of this audit: Closed	

REC 2004.2	Reference: Indicator 6.9.b
WiLD should implement a monitoring and control system for invasive exotic species.	
Action Taken By Company/Auditor Comments	
A invasive species control plan has been added to the WiLD management plan. Likely invasive species are identified and control methods are described. Of positive note, there are no plans for chemical management of invasive species.	
Status at the end of this audit: Closed	

REC 2004.3	Reference: Criterion 7.4
WiLD should consider investing in a website to publicize their forestry services, management plans and other documents.	
Action Taken By Company/Auditor Comments	
WiLD currently does not have any marketing needs that could be served by a website, and the expectations of SLIMF landowners for public availability of management documents has been met by state forestry rules.	
Status at the end of this audit: Closed	

4.1.5 New Corrective Action Requests and Recommendations

No new CAR's or Rec's were issued during the 2005 Annual Audit.

4.1.6 General Conclusions of the 2005 Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that WiLD's management of its group scheme in the State of Washington continues to be in strong overall compliance with the FSC Principles and Criteria, as further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that MRC's forest management program is in general conformance with FSC Principles 1 through 9. As such, continuation of the certification is warranted, subject to ongoing progress in closing out the one open CAR and subject to subsequent annual audits.

4.2 2006 Annual Audit

4.2.1 Assessment Date

The 2006 annual audit took place on November 22, 2006.

4.2.2 Assessment Personnel

Mr. Sterling Griffin: Sterling Griffin is a Certification Forester with Scientific Certification Systems. He is a Registered Professional Forester in the State of California with 8 years professional experience in public and private forest management. After graduating from Purdue University with a B.S in Forestry, his professional career began with the U.S. Forest Service where he spent 5 years working in inventory, fire use, silviculture, and ecosystem research. Areas of research activities included stand level response to vegetative competition and long-term ecosystem productivity (LTEP) in the Pacific Northwest. Prior to joining SCS, he was the founder of a private consulting firm in Northern California specializing in sustained yield management, fuel reduction, and forest health management.

4.2.3 Assessment Process

The 2006 annual audit for WiLD Resource Management was conducted under the FSC Desk Audit protocols. Under these procedures, the certification body conducts at least one FMU level site visit at the end of the first year in which the certificate was issued, and at least one additional FMU level site visit during the period of validity of the certificate. If there are no outstanding corrective actions to be evaluated and no unresolved complaints requiring evaluation the remaining surveillance evaluations may be based on review of documentation and records and do not require FMU level site visits.

WiLD Resource Management qualifies as a group of SLIMF's, and is therefore allowed to undergo a maximum of two desk audits during the four years of annual audits after a main evaluation. For the 2006 annual audit, the auditor reviewed the management plan for the Knappton Cove property and the Group Management Plan documents. The audit conference call was used to get a general update on WiLD activities and to determine if those activities were in continued conformance with FSC standards.

4.2.4 Status of Corrective Action Requests

CAR 2004.1	Reference: Group Management Standards
Before any new group members are admitted to the group scheme, WiLD must improve its group management system to conform to the indicators of the group administration principle found in the SCS Operations Manual.	
Action Taken By Company/Auditor Comments	
The document entitled "Willapa Land and Dendrology Corporation Forestland Group Management and Forest Product Chain of Custody System" was provided to SCS and reviewed by the auditor. While improvements to the document had been made since the previous evaluation, a number of non-conformances still existed. In most cases, these non-conformances would be applicable only for "Contract Lands", that is, lands in the WiLD group not owned outright by WiLD. As this situation has not occurred yet, these non-conformances are not very troubling, and the CAR has not yet come due. See section 3.1 of the 2005 Annual Audit Report for more specifics.	
Auditor Comments (November, 2006): WiLD has yet to acquire any new members in the group scheme. As to date there remains only one property within the group certificate (Knappton Cove). Therefore, the CAR is still not due. However, there remains the possibility that new members may want to be included within the group certificate. When this occurs, it would be preferable if provisions were established prior to the occurrence. A new recommendation is issued in order to resolve this situation (See section 2.6 below).	
Status at the end of this audit: Open	

4.2.5 General Observations, New Corrective Action Requests and Recommendations

WiLD appears to be retaining its conservative approach to recruiting new group members while continuing to actively promote FSC through procurement of FSC certified logs. These logs are mostly directed to a local FSC COC certified sawmill for production of furniture and flooring materials. Company logging crews also operate on non-certified lands, and carry over their commitment to operate in manners that provide economic, environmental, and social benefits to the landowners and properties on which they operate.

It is foreseeable that additional land may be sought by WiLD to increase the scope of their certificate in the future. The approach to provide ecological goods and services through conservation easements is well embraced and during the conversion/restoration of these acquired lands many non-traditional timber products are being derived. These underutilized resources have the potential to make future restoration efforts in the region

economically viable. WiLD’s resource manager is to be commended for a commitment to advancing well-managed forestry practices.

There are no new Corrective Action Requests following the 2006 annual audit. However, one new recommendation is issued at this time.

Recommendation:

Background/Justification: Because WiLD is certified under an FSC group management scheme, it is important to have the proper procedures in place for accepting new group members. Under FSC group management schemes, the group entity must provide each group member with documentation, or access to documentation, specifying the relevant terms and conditions of group membership. Group members must acknowledge their commitment to the FSC standards and authorize the group entity to maintain certification on their behalf.	
REC 2006.1	The resource manager should act to resolve CAR 2004.1 before a new group member is identified and ready to join. This will ensure the member will have full understanding of their responsibilities and be able to participate with no delays. The group management plan should be amended to contain all the group management requirements. These requirements can be found at the end of section 3.1 in this report.

4.2.6 Conclusions of the Annual Audit

Based upon information gathered through conference call and document reviews, the SCS auditor concludes that WiLD’s management of its group scheme in the State of Washington continues to be in strong overall compliance with the FSC Principles and Criteria, as further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that WiLD RM’s forest management program is in general conformance with FSC Principles 1 through 9. As such, continuation of the certification is warranted, subject to subsequent annual audits.

4.3 2007 Annual Audit

4.3.1 Assessment Dates

The 2007 annual audit took place on October 17, 2007.

4.3.2 Assessment Personnel

Sterling Griffin, RPF #2805: Sterling Griffin is a Senior Certification Forester with Scientific Certification Systems. 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.S in Forestry and has conducted Forest Stewardship Council (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.

4.3.3 Assessment Process

The scope of the 2007 annual audit, as with all annual audits, included: document review, auditors spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders

The following site visits of the 2007 surveillance audit were conducted during October 17, 2007:

Clearwater Property

- Recently purchased 40 acre property from large industrial owner.
- Parcel chosen by WiLD for sensitive ecological characteristics
- Clearwater creek, a salmon bearing stream, bisects the property.
- Property contains good value timber resources due to operational difficulties encountered by previous owner.
- Observed cut-tree mark for upcoming timber harvest
- Washington State “Alternative Plan” used for riparian forest harvest and restoration. Plan proposes to use alternative silviculture, but retains more than the required amount of basal area.
- Unique system of harvest system corridors created to access valuable alder and regenerate desired species. No harvesting within 30’ of stream.

Knappton Cove Propert

- No harvest activity in previous year.
- Observed remnant old-growth spruce
- High basal area and good forest structure throughout property.

4.3.4 Status of Corrective Action Requests

CAR 2004.1	Reference: Group Management Standards
Before any new group members are admitted to the group scheme, WiLD must improve its group management system to conform to the indicators of the group administration principle found in the SCS Operations Manual.	

Action Taken By Company/Auditor Comments
The document entitled “Willapa Land and Dendrology Corporation Forestland Group Management and Forest Product Chain of Custody System” was provided to SCS and reviewed by the auditor. While improvements to the document had been made since the previous evaluation, a number of non-conformances still existed. In most cases, these non-conformances would be applicable only for “Contract Lands”, that is, lands in the WiLD group not owned outright by WiLD. As this situation has not occurred yet, these non-conformances are not very troubling, and the CAR has not yet come due. See section 3.1 of the 2005 Annual Audit Report for more specifics.
Auditor Comments (November, 2006): WiLD has yet to acquire any new members in the group scheme. As to date there remains only one property within the group certificate (Knappton Cove). Therefore, the CAR is still not due. However, there remains the possibility that new members may want to be included within the group certificate. When this occurs, it would be preferable if provisions were established prior to the occurrence. A new recommendation is issued in order to resolve this situation (See section 2.6 below).
Status at the end of this audit: WiLD has submitted a new Group Membership Guidelines document that is found to be in conformance with the group administration requirements. This CAR is now CLOSED.

4.3.5 General Observations

WiLD remains dedicated to practicing forest management in a manner that is environmentally responsible, economically viable, and socially beneficial. The group manager is to be commended for developing alternative methods to accomplish site-specific goals while retaining key ecological structures that contribute to the health and stability of the surrounding landscape.

4.3.6 Changes in the Scope of the Certificate

WiLD has purchased one new property consisting of 40 acres in the previous year and added it to the certified group.

2.6 New Corrective Action Requests

Auditor Observation/Non-Conformity:
WiLD has just purchased the Clearwater property and done a series of planning activities to manage the property. The property will be managed according the group management guidelines that define the goals and objectives of the ownership. Extensive assessment and a partial written description of the property are in the “Alternative Plan”, but no complete document exists that is a compilation of the management plan and includes items such as site-specific desired future conditions and mitigations to protect important resources.
CAR 2007.1:
WiLD must complete work on the management plan to include all the elements required for inclusion of the property into the group membership as defined in the WiLD group management guidelines. The complete management plan must be provided to SCS during the 2008 Annual Audit.
<i>Reference: FSC Criterion 7.1.c.,f.,g.,h</i>

4.3.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that WiLD and the forest properties it manages is in strong compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that WiLD forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as WiLD operations are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted, subject to ongoing progress in closing out the single open CAR and subject to subsequent annual audits.

5.0 PUBLIC INFORMATION ABOUT THE FOREST MANAGEMENT PLAN AND MONITORING

A public summary of the management plan for the Willapa Land and Dendrology Corporation is available upon request from the president, Allen Lebovitz, alebovitz@willapabay.org.