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

Baskahegan Company

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

CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00079N

Submitted to:

Baskahegan Company
P.O. Box 84
Brookton, ME 04413

Lead Author: David E. Capen

Date of Field Audit: 9-11 September 2009
Date of Report: 24 October 2009

Certified: November 1, 2009

By:
SCIENTIFIC CERTIFICATION SYSTEMS
2200 Powell St. Suite Number 725
Emeryville, CA 94608, USA
www.scscertified.com

SCS Contact: Dave Wager dwager@scscertified.com
Client Contact: Brian Higgs (bco@nci2.net)

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.scscertified.com) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of the Baskahegan Company.

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Baskahegan Company to conduct a certification evaluation of the company timberlands located in eastern Maine. 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 September 2009, 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 2.5-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 determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Baskahegan Company for the management of its Maine 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).

SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION
1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Baskahegan Company
Contact person	Brian Higgs, Woodlands Manager
Address	P.O. Box 84, Brookton ME 04413
Telephone	207-448-2224
Fax	207-448-2205
E-mail	bco@nci2.net
Certificate Number	
Certificate/Expiration Date	
Certificate Type	*Single FMU*
Number of FMU's *if applicable*	*1*
Number of FMUs in scope that are	
less than 100 ha in area	#
100 - 1000 ha in area	#
1000 - 10 000 ha in area	#
more than 10 000 ha in area	#1
Location of certified forest area	
Latitude	*45 degrees 30 minutes*
Longitude	*67 degrees 45 minutes*
Forest zone	*Northern coniferous (Acadian region)*
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	*0 ha or ac*
are between 100 ha and 1000 ha in area	*0 ha or ac*
meet the eligibility criteria as *low intensity* SLIMF FMUs	*0 ha or ac*
Total forest area in scope of certificate which is:	
privately managed[1]	*101,700 ac*
state managed	*ha or ac*
community managed[2]	*ha or ac*
Number of forest workers (including contractors) working in forest within scope of certificate	*7-20*
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	*4,067 acres*
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	*0 ha or ac*
Area of forest classified as 'high conservation value forest'	*2000 acres*
List of high conservation values present[3]	*HCV 1-6*
Chemical pesticides used	*None*

[1] The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.
[2] A community managed forest management unit is one in which the management and use of the forest and tree resources is controlled by local communities.
[3] High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at www.ProForest.net

Total area of production forest (i.e. forest from which timber may be harvested)	*73,300 acres*
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	*0 ha or ac*
Area of production forest regenerated primarily by replanting[4]	*0 ha or ac*
Area of production forest regenerated primarily by natural regeneration	*76,076*
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	*Red spruce (Picea rubens)* *Balsam fir (Abies balsamea)* *White pine (Pinus strobes)* *Eastern hemlock (Tsuga Canadensis)* *White cedar (Thuja occidentalis)* *Red maple (Acer rubrum)* *Sugar maple (Acer saccharum)* *American beech (Fagus grandifolia)* *Yellow birch (Betula allegahaniensis)* *White birch (Betula papyrifera)* *Black ash (Fraxinus nigra)*
Approximate annual allowable cut (AAC) of commercial timber	*33,931 cords*
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	*Volume of fir tips collected for wreath making is not estimated.*
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.)	*Softwood pulp* *Hardwood pulp* *Softwood saw logs* *Hardwood saw logs* *Hardwood chips for chipboard* *Cedar for timber and shingles* *Red pine poles*

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

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

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 = 0.028317cubic meters
1,000 cubic feet = 28.317 cubic meters

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

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

1.2 Management Context

As a land management and harvesting enterprise located in the Acadian Forest Region in eastern Maine, management of the Baskahegan Company Forest is subject to a host of local, state and federal regulations. The principal regulations of greatest relevance to forest managers in the Northeastern US 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
- Forest Resources Conservation and Shortage Relief Act
- National Resource Protection Act
- National Environmental Protection Act
- National Wild and Scenic River Act
- Occupational Safety and Health Act of 1970
- Archeological and Historic Preservation Act
- National Historic Preservation Act
- Native American Grave Protection and Repatriation Act
- Rehabilitation Act
- Architectural Barriers Act
- U.S. ratified treaties, including CITES and ILO

Pertinent Regulations at State and Local Level:

At the state level, the principal regulations governing forest management include the following:

- Maine Forest Practices Act
- Maine Forest Service Rules, Chapter 20
- Maine Land Use Regulation Commission Laws and Statues, Ch. 10
- Maine Land Use Regulation Commission, Comprehensive Land Use Plan
- Maine Endangered Species Act
- Maine Natural Resources Protection Act
- Erosion and Sedimentation Control Act

- Protection and Improvement of Water Act
- Maine Human Rights Act

County and local regulations, especially those related to road use and scenic viewsheds, are part of the regulatory landscape and are relevant, but do not typically play a prominent role as compared to state and federal regulations. Notably, a portion of the Baskahegan Company's forestlands (within townships Brookton, Forest, Kossuth, 3 Range 7 WELS, 8 Range 3 NBPP, 11 Range 3 NBPP) are subject to regulation of the Maine Land Use Regulation Commission (LURC). This Commission was established by the State legislature in 1971 to serve as the planning and zoning authority for the state's townships, plantations and unorganized areas. The Commission has land use regulatory jurisdiction over these areas because they have no form of local government to administer land use controls, or they have chosen not to administer land use controls at the local level. LURC rules and standards cover a number of areas relevant to the management of the defined land holdings, including policies covering timber harvesting, deer yard issues, erosion control on logging jobs, roads and water crossings. LURC permits are required for certain activities within certain designated protection zones (i.e., wetlands, fish/wildlife zones and aquifer protection areas). Other policies/regulations pertinent to BP&L are found in LURC's Lake Management Program, amended 1990, and Rivers with Special Protection Plan.

Maine also has a set of forest practice regulations, promulgated and administered by the Maine Forest Service. These regulations require that the Forest Service be notified of all commercial timber harvests, and that areas and volumes harvested be reported annually. All clearcuts over 5 acres require separation zones; clearcuts over 20 acres must have a silvicultural justification on file; clearcuts over 75 acres require prior review by the Forest Service and more detailed management plans.

Aside from the state forest practice regulations, the overriding and most influencing body of regulations governing management of the defined lands is the federal Endangered Species Act. Of particular significance are recent listings under the federal Endangered Species Act for anadromous runs of Atlantic salmon. Under both the state Forest Practices Regulations and the federal Endangered Species Act, there is a focus placed on long-term management planning.

1.2.1 **Environmental Context** (from the Company's Management Plan)

The Baskahegan Company, founded in 1920, owns and manages 101,700 acres of forestland, primarily in northern Washington County, Maine. Most, 97,000 of Baskahegan Company's 101,700 acres of forestland are located in one largely contiguous block in northern Washington County, Maine. The forest lies in eleven townships. Five (Patten, Orient, Danforth, Topsfield and Codyville) have some form of self-government and the remainder (Brookton, Forest, Kossuth, T3 R7 WELS, T8 R3 NBPP, T11 R3 NBPP) are part of Maine's Unorganized Territory. Patten and T3 R7 lie in Penobscot County approximately 75 miles northwest of the main ownership, Orient, in Aroostook County, lies an additional 18 miles north, and the remaining towns are found in northern Washington County."

Lands in this region are generally forested and managed for forest products. Other current major ownerships include International Paper and Typhoon, LLC (the latter are former Georgia-Pacific lands and are managed by Wagner Forest Management), the Passamaquoddy Tribe, and the Maine Bureau of Parks and Lands (owner of the Duck Lake Unit, including the Duck Lake Ecological Reserve).

The Baskahegan Company lands are adjacent or close to an almost continuous expanse of more than one million acres of existing and proposed conservation lands across an international boundary. More than 500,000 acres in Maine are protected with a conservation easement, supplemented with 200,000 acres of existing state, federal, and Native American lands. Across the border in New Brunswick are more than 600,000 acres of conserved land, 72,000 acres of which comprise ecological reserves. Nearby in Maine a portion of the Maine Bureau of Parks and Lands' Duck Lake Unit (3,870 acres) is designated as an ecological reserve.

With the exception of the lands in and near Patten, the Baskahegan forest is situated in the Maine/New Brunswick Lowland biophysical region (McMahon 1990). The majority of the land is in the Baskahegan watershed, which feeds the Mattawamkeag River, a tributary of the Penobscot. About 20% of the area is in the watershed of the St. Croix River. The lands lie within and just outside of what is, in effect, a saucer shaped region, varying in elevation from 480 feet above sea level in the center of the saucer to 1,200 feet along its rim, the summits of low mountains.

Within this saucer, conditions range widely. Peat bogs occupy a relatively high proportion of the landscape, roughly ten percent. These include unusual eccentric bogs noted in Davis & Anderson's The Eccentric Bogs of Maine. The defining feature of the landscape is Baskahegan Lake, one of Maine's largest, comprising 7,145 acres. Also notable is the Crooked Brook Flowage, an impoundment created by a dam in Danforth, which provides excellent wading waterfowl habitat and 23% of the high-value wetland in Washington County.

Rising in elevation from these water bodies are lowland sites dominated by wetlands that support softwood forests of larch, cedar, black spruce and some red spruce. These comprise roughly 12% of the land base.

On the better-drained softwood sites, red spruce, white pine, balsam fir and hemlock are the predominant species, often mixed with red maple and white birch. These lands comprise about 30% of total lands.

Deeper, richer sites, usually located on hills of low to moderate elevation, support mixed northern hardwood species including sugar maple, yellow birch, ash, beech and red maple. In some cases these are mixed with scattered red spruce, pine and hemlock. Approximately 14% of the land is characterized by this stand type

Most of the remaining land in the contiguous ownership, approximately 37%, is mixed-wood forest with a softwood-to-hardwood ratio somewhat dependent on soil depth and fertility (hardwood increasing in abundance as soil depth and nutrient richness increase). Harvest history has also influenced the current mix.

Stands of shade-intolerant poplar and white birch, and nearly pure stands of red pine constitute the remainder of the Baskahegan forest in the Brookton working circle, although the Company's present management practices do not create the open conditions required for the regeneration of pure stands of these pioneering species. Most of the intolerant hardwood resulted from the heavy 1950's cuts in Danforth, and much of the red pine developed following the heavy burn in Topsfield in 1934. Together these two lesser stand types total just over one percent.

The Patten and T3 R7 lands to the northwest (4,295 acres) fall in the Aroostook Hills biophysical region and are characterized by deep, well-drained hardwood sites. These are among the Company's most productive sites.

In this region, the primary environmental issues of concern are: 1) maintaining blocks of contiguous forest, 2) maintaining and restoring a component of late successional stands within the working forest matrix, 3) restoring a more natural composition of species within stands, and 4) preserving access for year-round recreational pursuits. With regards to these issues, the Baskahegan lands represent a large block of forestland that will be kept as a working forest, while providing opportunities for recreational use that are compatible with the company's stewardship goals. The Baskahegan forest also has a legacy of intensive harvesting dating from the 1920s that it is now recovering from, due in large part to the conscientious management programs of the owners. Landowner goals, for example, specifically include objectives for restoring a component of late successional forest (forests with a greater stocking of larger trees, particularly spruce trees) and restoring a more natural composition of species within stands. For these reasons, management of the Baskahegan forestlands can be seen as a positive contribution to addressing the environmental issues of the region.

1.2.2 **Socioeconomic Context** (from the Company's Management Plan)

The Baskahegan Forest lies in eleven townships. The Company office is central to the 97,000 acres of contiguous land. The ownership is accessed from Bangor via Interstate 95 and Route 6, which connects Lincoln (population 5,800) to Topsfield (235) and Vanceboro (201). U.S. Route One runs north/south through the ownership, which is midway between Calais (population 4,200; 44 miles to the south) and Houlton (population 6,700; 48 miles to the north). Danforth (population 629) is the largest town in the contiguous ownership. Most residents travel to Lincoln or Houlton for shopping and medical care, although Topsfield and Brookton each have a convenience store/coffee shop/gas station, and Danforth has a grocery and hardware store, a convenience store, a bank branch, several small restaurants and a medical clinic.

Most of the land in the area is undeveloped and the local population depends primarily on the forest products industry for employment. The Domtar paper mill in Woodland and the Lincoln Paper and Tissue mill in Lincoln offer the highest paying jobs in the region. In 2008, First Wind LLC developed a 38-turbine (57 MW) wind farm on Stetson Ridge in T8 R3, and has the permits to add another 17 turbines along a ridge to the north. This has added about five full-time jobs to the region.

This rural, sparsely populated region also supports a small outdoor recreation economy that serves hunters, anglers and snowmobilers. There are sporting camps in Kossuth, Topsfield, Brookton, Forest City, Danforth and Weston which serve visitors who enjoy the landlocked salmon fishery, abundant deer, moose, waterfowl and partridge, and an extensive snowmobile trail system. Spednik and East Grand Lakes are well known for their coldwater fisheries, while warm water anglers enjoy Baskahegan Lake and the Crooked Brook Flowage.

Two federally recognized Indian tribes are located in the region, the Penobscot Tribe (Old Town) and the Passamaquoddy Tribe (Princeton). Both tribes own and manage substantial forest parcels, and both have struggled to provide employment opportunities for tribal members, many of whom live in reservation communities.

1.3 Forest Management Enterprise

1.3.1 Land Use

Baskahegan Company's forestlands are located within the Acadian Forest Region in eastern Maine. The region supports a mixture of spruce, pine, and hardwood forests interspersed with magnificent lakes, mostly undeveloped rivers, and a variety of forested and non-forested wetlands.

An excellent description of the land use history is contained in the Baskahegan Company Management Plan, which is excerpted below.

Seth Milliken purchased the Baskahegan lands and mills in 1920 from Henry H. Putnam of Danforth, Maine. Putnam had gradually acquired 100,000 acres from local farmers, woodsmen and Bangor timber investors, becoming the wealthiest man in northern Washington County. By the end of his life he operated four sawmills in Danforth, owned the general store, a hydro plant, the main hotel and associated stables. Putnam sold the land to Milliken after the death of Putnam's son and identified successor.

Milliken had no previous experience in the forestry business and all evidence suggests he overpaid for the land. His first investment was the purchase in 1919 of 9,000 acres near Machias, held in an entity called the Marion Land Company. After buying the Putnam lands the following year, he entered into a 15-year supply contract with the Eastern Fine Paper mill in Lincoln, Maine, to which softwood pulpwood was driven by river. The contract was suspended in 1927. The company lacked the wood to supply the contract, despite a requirement that harvesting crews leave no more than two cords per acre of softwood pulpwood. The shortfall was due to heavy cuts in the Putnam era, and, likely, the effects of the spruce budworm.

The Company operated the lands for hardwood and pine into the Great Depression. In the late 1930s, it sold 8,000 acres of land in Weston and its one-quarter interest in the Eaton lands in Forest. The family instructed that no wood be cut after 1937, though oral evidence indicates that small hardwood operations continued all along Route 1 during the subsequent decade. Except for an interlude of cutting on the Town of Danforth and near Tomah Lake in Topsfield in the 1950s, no sanctioned harvesting took place until the early 1960s. Dead River, which owned the nearby 200,000-acre Dead River Tree Farm, took over management in 1967 and supervised planning and operation until the company hired its own full-time forestry staff in 1982.

Baskahegan is currently managing a forest initiated by the heavy pulpwood cuts of the early 1900s. These operations regenerated Baskahegan's softwood stands after several human generations of high-grading. Commercial harvesting in the area began with pine cuts in the 1820s, followed by spruce harvests of mid century and the hemlock harvests associated with the tannery boom of the 1880s.

In the late 1960s, Dead River brought modern forestry techniques to the Baskahegan land base: its first comprehensive forest typing effort, a Continuous Forest Inventory plot network (which was not maintained) and the establishment, in consultation with David M. Smith of Yale, of an annual allowable cut. In 1969, Baskahegan was registered as a Tree Farm. With the exception of some regeneration cuts in saddle-prominent caterpillar-infested hardwood stands in Codyville, most Dead River operations were diameter-limit partial cuts.

In mid-1982, Baskahegan hired forestry staff and took over management of its acreage. The Company initially reined in harvests to a manageable level, around 20,000 cords per year, and gradually increased the cut as it gained confidence in its ability to implement quality partial cuts primarily in softwood and SH stands (see Figure 3.2a, page **Error! Bookmark not defined.**). It shifted its harvest prescriptions from diameter limits to partial cutting from below. Another objective of this period was to rid hardwood stands of diseased beech and other low quality hardwoods. The Company aggressively pursued this goal, utilizing the full-tree, hardwood chip market at the Georgia Pacific mill in Woodland. In 1997, GP (now Domtar) shifted its furnish from whole tree (bark on) chips to the output of its own chipping facility in Woodland. Baskahegan thus lost a market for its small diameter low-grade hardwoods (along with the bonus utilization of limbs and tops provided by

whole tree chipping). In the mid-1980s, the Company adopted an area regulation planning model and articulated an objective to harvest a thousand acres per year each of partial harvests and overstory removals.

In 1995, the company consolidated its holdings, exchanging 9,000 acres of land in the Machias area in southern Washington County for the 10,000-acre Eaton lands in Forest. Also in 1995, Baskahegan reinvested the proceeds from the sale of a conservation easement on Spednik Lake in recently-harvested timberlands in Kossuth, Codyville and Danforth. Combining the Eaton lands with these acquisitions added 18,000 acres of primarily mixedwood and hardwood sites, increasing the site productivity on the average acre (see map on following page). These additions will benefit the Company in the long run as trees mature to merchantable size. However, for now, their scant inventory reduces average stocking on the ownership as a whole.

The Company has set aside as reserves two areas on the ownership, roughly 1,200 acres southwest of Baskahegan Lake and 101 acres on the shores of Spednik Lake in Township 11 Range 3. These areas were not originally determined by ecological analysis but for other reasons.

There are several reserve areas established by public and conservation landowners in the cross-border eco-region (called the Maine-New Brunswick Lowlands Biophysical Region on the Maine side, and the Valley Lowlands Ecoregion in New Brunswick). On the New Brunswick side of the St. Croix watershed, the Province has established a 63,940-acre reserve (with frontage on eleven miles of Spednik Lake) and the 9,855 Canoose Flowage Reserve. The Spednik reserve lies on similar soils to those at Baskahegan and elevations that range from tolerant hardwood-dominated slopes and ridges to spruce-fir in the lower elevations. Forty percent of the Canoose Flowage Reserve are wetlands, with the rest being a mixture of low elevation forest.

On the Maine side, the Bureau of Parks and Lands has established the 3,870-acre Duck Lake eco-reserve which encompasses 1,200 acres of wetlands. The Downeast Lakes Land Trust has established a complementary reserve of 3,560 acres adjacent to the Duck Lake Reserve. Approximately 2,200 of these acres are upland forest, with the rest being wetland. In addition they have established a neighboring late-successional area of 3,700 acres which will be managed with uneven aged systems to grow late successional species mix of trees to 120-150 years of age.

1.3.2 Partial Certification- Land Outside Scope of Certification

Baskahegan Company has not excluded any lands under ownership or management from the scope of certification.

1.4 Management Plan

1.4.1 Management Objectives

The objectives of the subject forest management operation are well described in the company's mission statement, objectives, and practices:

Mission Statement: Through a dedicated commitment to long-term stewardship, to develop the natural potential of Baskahegan's forest to produce quality and value for present and future generations.

Embedded in this statement are several key elements of the approach of the Milliken family as landowners:

- Working with the natural potential of the forest to produce benefits. The Company believes it is in the forest's and the family's interest to steer away from heavily manipulative forest management such as plantations. Instead, management interventions are modeled on how forest stands naturally develop.
- A focus on growing quality trees of valuable species.
- A focus on the long-term. As family owners, future generations are not an abstraction. Family members appreciate the investment made by the Company's founder in 1920. His experience of depleting the forest in the early decades of the 20th century and the resultant long wait for it to become productive again have strongly influenced the objectives of the owners. The family is committed to not make that mistake again, but instead to build optimum productivity and value in the Baskahegan forest.

Management Objectives:

- Optimize the production of high-value timber products;
- Build sustainable future productivity while generating respectable profits;
- Protect ecological and environmental integrity;
- Protect and enhance aesthetic and recreational values;

These four focus areas translate the Company mission into practice:

- Growing high value timber products best builds the forest's value.
- Baskahegan recognizes that there can be a tradeoff (when thinking short-term) between profits and sustainability. To address the long-term time frame of the mission, sustainability is put first.
- In the third objective, "ecological" is separated from "environmental" to bring attention to both. "Ecological" refers to issues such as biodiversity, natural processes, and habitats. "Environmental" covers the range of issues from pollution prevention to erosion control.
- The fourth objective reflects the community aspects of Baskahegan's stewardship.

Guiding Principles:

- Conduct all relationships with integrity and dependability;
- Seek to understand and respect nature's laws;
- Enhance timber production while conserving other forest values;
- Provide customers with quality forest products, timely delivered;
- Encourage the growth of our people through continuing education;
- Be attentive to the needs and concerns of local communities;
- Protect public values and accommodate appropriate recreational use.

1.4.2 Forest Composition

Baskahegan Company's forest is dominated by softwood sites, and many of the areas currently

containing significant hardwood stocking are natural softwood or mixed wood sites. The most recent inventory indicated that the total forested acreage is 76,076. Softwood stand types account for 37.6% of these acres; mixed softwood-hardwood occupy 21.4% of the area; mixed hardwood-softwood stands are found on 18.3% of the area; hardwood types on 19.9%, and red pine and lowland conifers on 2.8% of the forest.

1.4.3 Silvicultural Systems

Baskahegan Company practices several varieties of the shelterwood silvicultural system, incorporating various forms of structural retention. Rotation ages of 85 to 90 years are expected for younger stands and those planned for the future. The current forest includes many stands that are in excess of 90 years old at the time they are regenerated.

Silvicultural practices are designed to maintain softwood composition on softwood sites, and to restore softwood dominance to natural levels on mixed wood sites. The company's management plan describes silvicultural methods as follows:

Approximately 38% of Baskahegan's productive acres fall in the pure softwood category and 21% in softwood/hardwood. Baskahegan employs the shelterwood system as its primary prescription in these types. The stand is removed in two or three entries or "passes"; the number of entries depends on initial stand density and species mix. In a three-pass shelterwood, the first partial cut removes low quality specimens and short-lived species to reduce overstory density and allow for regeneration. The second pass, 10 to 15 years later, removes smaller diameter stems to allow the best trees to continue to develop further. This harvest also provides the developing regeneration more light and growing space in preparation for the final overstory harvest. A two-pass harvest is prescribed for a stand with lower initial density where the regeneration is already established. The standing volume is reduced by half or more in one partial cut before a final overstory removal. These stand types are operated almost exclusively with cut-to-length processors, which afford the best protection for desired residual trees.

Baskahegan prescribes pre-commercial thinning (PCT) in S and SH stand where species mix, stand density and site offer a reasonable return on investment. Company foresters identify sites where stand densities are in excess of 7,000 stems per acre and spruce and pine are competing with less valuable, shorter-lived stems of fir and low-grade hardwood. Contract laborers with brush saws favor the more valuable species while reducing densities to 1,000 to 1,200 stems per acre. PCT gives selected trees more room to grow, thus improving growth rate and reducing rotation length.

About 18% of the forest cover is typed as hardwood-softwood (HS). There are two distinct HS types, and the treatment method varies accordingly. A number of current HS stands would have been typed SH or even S earlier in their history. Following a disturbance (either natural or human), the rapid regenerative capacities of pioneering hardwood species (poplar, white birch and red maple) have tilted stand composition toward these species. There is often a reasonable amount of softwood in these stands, usually in the understory. Baskahegan partially cuts these disturbance-generated HS stands to remove low-grade hardwood and allow the softwood understory to develop. The stands will be opened enough to allow for spruce and hemlock regeneration but not so much as to again favor pioneering hardwoods. Feller-bunchers and grapple skidders have typically performed these harvests, but are now being replaced by processors.

Approximately 20% of Baskahegan's productive forest is typed as pure hardwood. Again, stand treatment is dependent on species mix, stem quality and stem size. Hardwood on Baskahegan is a

little more complex than other stand types as it encompasses both tolerant and intolerant hardwood stands. Most are even-aged or, at the most, two-aged. Tolerant hardwood stands can be further subdivided depending mostly on harvest history.

Degraded Mature Tolerant Stands. Throughout the Northeast, hardwood stands have been commonly high-graded and many of Baskahegan's hardwood stands are no exception. In these stands, most of the more valuable sawlogs were removed, leaving poorer stems behind and creating small, partially shaded openings that provided ideal conditions for beech regeneration and development. This created stands with high beech content (which, due to nectria, would never develop into either mast producers or sawtimber), poor quality stems of other species, and little high-grade material. The Company cuts such stands hard, usually with feller-bunchers and grapple skidders, removing as much poor quality and diseased beech as possible, right down to seedling size. (Smooth barked beech are retained.) The resulting open conditions encourage sugar maple and yellow birch to become established. They, in turn, tend to outperform beech, which favors a more shaded environment.

Higher-Quality Mature Tolerant Stands. Many tolerant hardwood stands on the acreage have not been subjected to significant high-grading in the past and so still contain a reasonable portion of high quality stems. Company foresters prescribe improvement cuts (modified shelterwood), which remove poorer quality stems of lower value species as well as some of the mature larger stems. This provides growing space for stems of valuable species that have potential to produce valuable sawlogs and veneer while opening the stands for high-quality hardwood regeneration. These stands are usually marked before harvest. History demonstrates that hand crew/forwarder operations achieve the best results in this forest type.

Intolerant Hardwood Stands. Due to Baskahegan's preference for shelterwoods and other forms of partial cutting, pure stands of intolerant hardwoods cover only about 1% of the forest, or about 1,200 acres. Occasionally, where intolerant hardwood stands are mixed aspen and birch with a softwood understory, the hardwood is removed to release the softwood. There are a few small stands of pure birch which have been harvested with a shelterwood method, mainly for aesthetics. The few small, pure aspen stands that occur are clearcut to start the cycle over. The harvest system used most often in this stand type is the feller-buncher/grapple skidder.

Red pine is the major species in stands totaling 1,067 acres. These are drier, sandy loam soils where red pine, or red pine mixed with white pine, grows better than other species. Due to past harvest history some of these sites have regenerated to other species but, where feasible, red pine stands are managed to perpetuate red pine or a red pine/white pine mix. Due to the serotinous nature of red pine cones, the Company will use a harvest treatment that creates sufficiently wide openings and mineral soil exposure to insure sufficient red pine regeneration.
Riparian zones are managed using selection systems. The approach is to remove 30% of the volume at 20-year intervals, an approach that results in continuous forest cover, while ensuring a vigorous, healthy stand. Cut-to-length processors are used in riparian zones.

1.4.4 Management Systems

Baskahegan Company is a privately owned enterprise, where oversight is provided by a seven-member Board of Trustees. The Company President and CEO is a member of the Board and is actively involved in setting policy and running operations of the company. On-the-ground operations are managed by the Woodlands Manager, who supervises two professional foresters and a bookkeeper. One of the foresters is a GIS specialist and harvest modeller. A third forester is a

private consultant, but works 2-3 days/week for the Company. Continuing education and training for employees is encouraged and tracked via a training log for each employee.

Baskahegan Company currently has two harvesting contractors who both live in the region. One is from Orient, approximately 25 miles from Brookton, and the other is from Crystal, a distance of 70 miles from Brookton. One has been working with Baskahegan for more than 35 years. Road maintenance and construction is done by the same two contractors.

Baskahegan uses GIS to manage the data associated with the company's land holdings. In 2003, the Company embarked on a project to divide the entire forest area into harvest blocks and collect on each the detailed information necessary for all future planning. The GIS database contains information on each forest stand, which is updated as stand conditions are altered. This allows company foresters to produce maps with accurate representations of forest conditions whenever necessary.

1.4.5 Monitoring System

The following is a modified excerpt from the Company's Management Plan:

At 10-year intervals, the Company contracts with a consulting firm to complete a standard timber inventory to determine existing **volumes of all timber products**. Each inventory is compared with those done previously to determine the effect on standing volume (and value) by harvesting and growth during the interim. The Company keeps careful track of all timber and fiber volume and value harvested off its lands. Every four weeks the Woodlands Manager prepares reports on the volume harvested (and price received) for timber products by market and compares these results to the annual forecast. The forecast in turn is based on harvest levels projected from allowable harvest modeling. In addition, load slips are kept separately for each harvest block. When trucking has been completed, the Bookkeeper generates a block report that details the silvicultural treatment, harvest system, volume removed, revenue realized from the mill, harvest cost and margin generated by each product. The Company uses this information to refine its yield expectations for planning and modeling.

The Company does not have its own CFI system and as a result, depends for its **growth and yield information** on publicly available history of forests in the region as well as estimates extrapolated from what is known about the history of its forest. Woodstock and FIBER software programs are used to model forest growth, allowing the Company to compare yield curves from several sources and to modify curves from FIBER to better reflect actual conditions on the Baskahegan forest.

Quality and distribution of **regeneration** are assessed and documented in the post-harvest assessment. As part of the supervision of pre-commercial thinning crews, the supervising forester monitors the treated stands for species and density and collects statistical information on the species composition and stems per acre of the treated stands.

Forest condition is monitored informally as an ongoing part of forest management. As they travel the roads, Baskahegan foresters keep an eye out for disturbances such as blow down and insect mortality. The Maine Forest Service monitors fire risk and condition. The operational mapping effort collected data in every forest stand on a range of forest conditions, from regeneration to species composition to ecological features such as den trees and coarse woody debris. Data collected in post-harvest assessments provides up-to-date information on species mix and volumes on a real-time basis.

The Company has yet to use this information statistically, but it will provide a data set for use both as a baseline and as a source of comparison among stands with different management histories.

Due to the light-intensity management practiced by Baskahegan, there is little disturbance to historic distributions of **flora.** The Company has therefore not devoted resources to tracking changes in flora on the landscape. A data collection effort under the direction of Cooperative Forest Research Unit's Jim McLaughlin collected ground vegetation data that can provide a useful baseline against which to track future changes. Company foresters have been trained in to identify rare, threatened and endangered plant communities. So far none have been discovered, but if they were, their location would be entered into the database. Foresters have also received training about two invasive plants, Lythrum and Phragmites. No occurrences of either have been encountered.

The Company confers with State wildlife biologists about issues related to **game species** such as bear, grouse, moose and deer, as well as species of concern. The Company records locations of raptor nests on its GIS. A local field biologist, Marion Bates, monitors breeding birds on the Burn Road portion of the Baskahegan forest, an area where a number of locally rare birds are known to nest.

1.4.6 Estimate of Maximum Sustainable Yield

The current annual allowable cut (AAC) is 33,931 cords. This figure is based on an increasingly sophisticated approach for modeling. The history of estimating allowable cut corresponds with the history of ownership and management of the Baskahegan forest. It was purchased by Seth Milliken from Henry Putnam in 1920 following a period of intensive logging. More cutting was done in the early years of Milliken ownership, but a shortage of wood by 1937 forced the Milliken family to suspend cutting of the forest. A cruise of the property in 1940 documented an average inventory of 2 cords per acre. From 1966-1982, the lands were managed by the Dead River Company, which owned the nearby Dead River Tree Farm. In 1982, the Baskahegan Company hired its own forestry staff. From the late 1960's until recently, the Company consulted regularly with David M. Smith, a silviculture professor at Yale University, about allowable cut allocations.

Dead River foresters used the periodic annual inventory (PIA) as the basis for allowable cut, but based their figures on PIA determined from continuous inventory on the Dead River Tree Farm. Dr. Smith argued for use of mean annual increment (MIA) on Baskahegan lands, determined by dividing current standing volume by number of years since 1920. This led to an allowable harvest estimated at half the estimated MIA (0.4 cords/acre) for an ownership of 100,000 acres, or 20,000 cords per year. Later, this goal was increased to 30,000 cords per year, as the forest rebounded from heavy cutting earlier in the century. More recently, the Company has determined desired future conditions for the forest, in terms of species and age classes; has established a more sensitive system of inventory; has reduced the number of acres available for harvest; and has combined an area-regulation approach with inventory and growth modeling, using the Spatial Woodstock modeling. These recent enhancements have led to the current estimate of AAC.

1.4.7 Estimated, Current and Projected Production

Tables documenting inventories, harvest levels, stand treatments, AAC versus harvest, etc., were provided to the audit team, but may contain confidential information, so details are not presented here. Harvest levels have generally been below growth levels, except for brief periods involving budworm salvage or recent short-term marketing opportunities to remove low-value species (e.g. hardwood pulpwood). From 2004-2008, harvest levels of species groups have been very much in line

with calculations of AAC for those groups, except that hardwood pulp is still being cut in greater volumes than projected, balanced by slight reductions in ratios of actual cut to projected cut for other species groups. This is still a function of local markets and the desire to improve stands by removing low-quality hardwoods.

Allowable harvest levels are scheduled to decrease modestly for the next decade, but they are expected to increase later, a result of pre-commercial thinning and efforts to improve species composition and stocking. The forest will soon produce more high-quality material and more softwood, particularly red spruce, than it has in many decades.

The Company's move to more sophisticated harvest modeling, which includes growth estimates for different stand types, has been tested with empirical data and compared with past rule-of-thumb estimates. This is an improvement over the assumption of even growth across all stand types, but has not resulted in drastic changes in estimates of allowable harvest. Unusually diverse markets in eastern and northern Maine allow harvest levels to be distributed across product classes in an exemplary fashion.

The Company began it first comprehensive operational cruise in 2003, completing it in 2008. Subsequently, the GIS system maintains data on stand boundaries, forest type, volume, regeneration, harvest history, and productivity. These data are then used as the basis for assigning a treatment regime to each stand. A regeneration matrix is used to project composition of stands after treatment. Post-harvest assessments allow stand files to be updated after treatment. The database is updated quarterly and is used in early fall to plan operations for the upcoming year.

1.4.8 Chemical Pesticide Use

Baskahegan's Management Plan contains the following statement regarding use of chemicals in the forest: "Baskahegan generally avoids the use of forest chemicals. It use of chemicals since 1967 has been limited to experimental applications, with the exception of the use of Bt for budworm control in the early 1980s."

1.5 SLIMF Qualifications (SLIMF's only)

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in Maine, the certification evaluation that is the subject of this report was conducted against the duly-endorsed FSC Northeast Regional Standard (Version NE Final 9.0, 2/10/05). The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scscertified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The field assessment was conducted on 9-10 September 2009. Preparation for the field audit involved a review of reports from previous audits, maps and spreadsheets of areas where harvest activities occurred during the past 3 years, and review of a revised management plan (2009).

3.2 Assessment Team

A two-person team conducted the assessment. David Capen was the Lead Auditor; this was his first assessment of Baskahegan Company. The second member of the team, Mike Ferrucci, was the Lead Auditor of the Company's initial assessment, in 2004.

David Capen: Dave is a Professor Emeritus in the Rubenstein School of Environment and Natural Resources at the University of Vermont. He has a B.S.F. degree in Forestry from the University of Tennessee, an M.S. degree in Wildlife Management from the University of Maine, and a Ph.D. in Wildlife Science from Utah State University. He has been a faculty member at the University of Vermont since 1976, having recently retired from teaching. David is a Certified Wildlife Biologist, and was formerly a Certified Forester (2002-2008). He has conducted numerous FSC audits in Massachusetts, Maine, Michigan, Indiana, New York, and Minnesota.

Michael Ferrucci: Mike is a founding partner and President of Interforest, LLC where he is responsible for the assembly and management of integrated teams of scientists and professional managers to solve complex forestry problems. He is also responsible for the firm's forest certification program, which includes SFI and FSC certification and preparation services. Mike is also the SFI Program Manager for NSF – International Strategic Registrations and is responsible for all aspects of the firm's SFI Certification programs. Mike has 27 years of forest management experience. He has conducted or participated in assessments of forest management on more than 14 million acres of forestland in 27 states.

3.3 Assessment Process

3.3.1 Itinerary

8 September 2009

7:30pm: *Audit team meeting, Wheaton's Camp, Forest City, Maine*

9 September 2009

8:00 am—12:00pm*: Opening Meeting, Baskahegan Office, Brookton, Maine.*

Attendees: Roger Milliken, Jr., Brian Higgs, Paul Cushman, Laurie McElwain, John Mills, Terry Cochran.

Agenda Items: Introductions; review agenda; discuss selected field sites; overview of Baskahegan Company and its management; legal requirements; stakeholders; personnel; working conditions and benefits; management systems; silviculture; inventories, data systems and calculation of allowable harvest; landscape-level considerations; biodiversity.

1:00pm—5:00pm*: Field visits to sites in Brookton Twp.*

10 September 2009

8:30am-5:30pm: *Field visits to sites in Topsfield and Kossuth Tsps.*

11 September 2009

8:15am--10:00am*: Closing meeting, Baskahegan Company Offices, Brookton, Maine.*

3.3.2 Evaluation of Management System

The management system of Baskahegan Company was evaluated by meeting in the company office in Brookton, Maine, where auditors conducted interviews with all company employees: Roger Milliken, Jr., President and CEO; Brian Higgs, Woodlands Manager; Paul Cushman, Operations Manager; Laurie MacElwain, Forestry Supervisor (and GIS Forester); Terry Cochran, Bookkeeper; and John Mills, Consulting Forester. While in the company office, numerous records were requested to verify and complement information presented in the company's recently updated management plan. The evaluation then moved to company lands, where fourteen sites were visited (see below). Further evaluation of the management system took place through interviews with logging contractors, local business owners, and other stakeholders.

3.3.3 Selection of FMU's, Management Blocks to Evaluate

Lands managed by Baskahegan Company comprise a single FMU, composed of lands in two locations. Most of the company's land surrounds the office in Washington County, although about 5,000 acres lie northwest of the main ownership in Penobscot and Aroostook counties. The lands outside of Washington County were not visited, in the interest of time.

Prior to the assessment, the lead auditor requested from Baskahegan Company a complete listing of all blocks where management activities had occurred in the past three years. From that list, the auditor selected a random list of units, and then further refined the list to assure a variety of forest types and harvest activities. The list selected listed below:

Topsfield Blocks: Q12.0, Q13.0, R100, R101, S131, T109,
Kossuth Blocks: P102, Q56
Forest Twp: O58, O11
Danforth Blocks: E129, F35.1, G158, 114-06
Brookton Blocks: G120, G36.0, H73, H60.0, 91-06
T8 R3 Blocks: Q12.0, Q13.0

The woodlands manager, on a GIS map of all forest stands, marked the location of each of the selected units and also indicated some additional features of interest to the auditors, notably areas of ecological significance. Final selection of sites was done during the assessment, by both auditors, with advice from Baskahegan staff on drive times and accessibility. Fourteen sites were visited: seven were sites where recent harvest activities could be evaluated; three were opportunities to assess road or bridge construction; and four were ecological reserves or stands designated as old growth.

3.3.4 Sites Visited

9 September 2009

Baskahegan Company Office, Brookton, ME.

- *Questions, answers, and document review related to the following topics: laws and regulations; company employment policies; interactions with Indian tribes; safety of employees and contractors; required and voluntary training for employees and contractors; community activities; forest inventories, harvest modelling, and harvest levels; GIS capabilities; biodiversity conservation and contracts with conservation organizations.*

Site Visits on Company lands in Brookton Township:

- ***Compartment G, Block 12****. Active harvest; young softwood stands, initial harvest, prescription to operator using processor was to leave crop tress on 16-foot spacing with light on all sides. Operator was careful to pile brush on harvest lanes to protect wet, boreal forest floor. Interviewed Danny Campbell, who has been working on contract for Baskahegan Company since 2001; trained as Certified Logging Professional and has worker's compensation insurance.*

- ***Compartment G, Block 36****. An improvement harvest, recently completed by Troy Fish and Colin Bartlett, using chain saw and forwarder. Prescription was to remove all fir, beech, and red maple, leaving spruce >12 inches and hemlock > 9 inches. Result was a diverse stand, with openings of various sizes, plenty of residual stems and woody debris.*

- ***Compartment H, Block 60****. A winter 2009 harvest, Danny Campbell the contractor; first of two planned partial cuts; prescription was to thin red spruce to a 20-foot spacing, taking white cedar as needed. Inspected a 250-foot buffer along a permanent stream (PSL-1), where less than 40% of the BA was cut, with no entry by tracked equipment. Throughout the stand, numerous trees, especially hardwoods, were left for habitat diversity.*

- ***Compartment H, Block 73****. Overstory removal harvest in 2007; Ronnie Ledger (subcontractor for Colin Bartlett) used a feller-buncher and grapple skidder on the job. Regeneration is excellent: white pine, red spruce, and oak.*

10 September 2009

Site Visits on Company lands in Topsfield and Kossuth Townships:

- ***Road Construction.*** *Inspection of new road construction, summer 2008-09 by Colin Bartlett, who does most road work on Baskahegan Company lands. On company lands, 1 mile of road accesses 260 acres, on average.*
- ***Compartment T, Block 109.*** *2007 harvest in 35-40-acre white pine stand by Mike Harris, using chain saws and forwarder. The harvested pines were left after overstory removal 2 years earlier, done with a processor.*

- ***Concrete bridge/culvert.*** *Inspection of two concrete open-bottom culverts designed and built by Paul Cushman.*

- ***1934 Burn Road.*** *Additional inspection of road and concrete culvert.*

- ***Compartment S, Stand 83.*** *A "gold stand" indentified as a best example of late successional/old-growth (LSOG) red and white pine stand during a survey of the property by ecologists from Manomet. The site is poor and regeneration is slow. Although the stand is not reserved, management is designed to maintain the late successional attributes.*

- ***Compartment R, Blocks 100 and 101.*** *May 2008 harvest, done by Andrew Anderson, using processor and forwarder. Prescription was to remove all fir, hardwoods, hemlocks, and spruce >7 inches, leaving pine and oak.*

- ***Big Bog Wetland Comples.*** *Big Bog, an eccentric bog, has been identified as a rare natural community, and most of it is protected as a reserve. It was desirable to build a road, however, to reach forest lands across the bog. In consultation with The Nature Conservancy, a "floating" road was designed and built; water levels are monitored regularly to assess any interruption in movement of water from one side of the road to the other.*

- ***Ecological Reserve.*** *A mixed softwood stand on the shore of Baskahegan Lake that illustrates many characteristics of an old-growth stand.*

- ***"Gold" hardwood stand.*** *A reserved hardwood stand that shows no evidence of ever being harvested.*

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: (1) to solicit input from affected parties as to the strengths and weaknesses of Baskahegan Company's management, relative to the standard, and the nature of the interaction between the company and the surrounding communities; and (2) 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 information from previous audits, lists of stakeholders from the Baskahegan Company, 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:

- Baskahegan Company employees, including headquarters and field
- contractors for forest harvesting and road construction
- lease holders
- nearby property owners
- pertinent Tribal members and or representatives
- Members of the Northeast 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 Baskahegan Company forestlands
- Local, State and Federal regulatory agency personnel
- User groups, such as hikers, ATV users, and others
- Other relevant groups

Prior to, during, and following the site evaluation, a wide range of stakeholders from the regional area

were consulted in regard to their relationship with the Baskahegan Company, and their views on the management of the Company Forest. 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 a notification mailing soliciting comment and/or phone contact. Comments were received via meetings and personal interviews "face-to-face", phone interviews ("Interview"), and through written responses. Individuals or groups not offering feedback are labeled "no response" ("NR"). Additional comments may have been received from individuals not wishing to reveal their identities.

Name	Affiliation	Consultation
Max McCormack	Univ. of Maine/CFRU	Written
Dave Edson	James W. Sewall Co.	NR
Lloyd Irland	Consulting Economist	NR
Donald Soctomah	Passamaquoddy Tribe	NR
Robert Seymour	Univ. of Maine	NR
Rich Smith	Pleasant River Lumber	NR
Steve Follett	Domtar Industries	Written
Pedro Guzman	G&P Forestry	NR
Andy Whitman	Manomet Research Ecologist	Written
Dale Wheaton	Owner, Wheaton's Camps	Interview
Lee Sochasky	St. Croix International Waterway Comm.	NR
Mark Caron	Maine Inland Fisheries and Wildlife	Written
Sherry Huber	Maine Tree Foundation	NR
Patrick Strauch	Maine Forest Products Industry	NR
Pat Sirois	SFI Coordinator, Maine	NR
Peter Triandafilou	Huber Resources	NR
Marion Bates	Field Ornithologist	Written
Bob Wagner	Univ. of Maine	NR
Elbridge Cleaves	Local business owner; forester	Written
Danny Campbell	Logging Contractor	Interview
Andy Cutco	Maine Natural Areas Program	Written

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

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

Economic Concerns

Comment/Concern	Response
• Baskahegan is a good neighbor and contributes directly and indirectly to the local economy (four respondents).	Comment noted

• The Company practices forestry in a manner that shows regard for rivers, lakes, and ponds, which are critical to the regional economy.	Comment noted
• The company contracts with qualified service providers (two respondents).	Comment noted
• The company follows good business practices (two respondents).	Comment noted
• The company procures goods and services locally.	Comment noted

Social Concerns

Comment/Concern	Response
• Baskahegan supports local businesses and contributes to local educational activities.	Comment noted
• I've worked for Baskahegan for many years and they have always treated me fairly—the best, or one of the best companies I have worked for.	Comment noted
• Timber harvesting is conducted at a level that appropriately balances ecological, economic, and social factors.	Comment noted
• Baskahegan provides adequate opportunities for stakeholders to provide input into management planning (two respondents).	Comment noted
• The Baskahegan Company has done so much for the local area that people have begun to take their contributions for granted. They have set THE example for northern Maine for long-term ownership and stewardship of the forest.	Comment noted

Environmental Concerns

Comment/Concern	Response
• The forest management operation takes appropriate action to protect rare, threatened, and endangered species (four respondents).	Comment noted
• The forest management operations follows BMP's (four respondents)	Comment noted
• The Company maintains a quality road system (three respondents).	Comment noted
• The forest management operation is effectively managing insect and disease threats and invasive species (four respondents).	Comment noted
• Baskahegan Company has designated an appropriate amount of protected areas (five respondents).	Comment noted
• High Conservation Value Forests have been identified and are being maintained (four respondents).	Comment noted
• Baskahegan Company has gone out of their way to do good things for wildlife and biodiversity. Most importantly, they seek the advice and opinions of	Comment noted

• Baskahegan has been very cooperative with initiatives of Maine Inland Fisheries and Wildlife. They have a great reputation for their forest management.	Comment noted

3.3.6 Other Assessment Techniques (only include if necessary and not needed for single SLIMF)

3.4 Total Time Spent on audit

The lead auditor spent 1 day in preparation for the audit, 1 day contacting stakeholders, and 2.5 days conducting the field and office audit. The second auditor spent 0.5 days preparing for the audit, and 2.5 days conducting the field and office audit. Thus, a total of 7.5 person days were allocated by the audit team to the re-assessment of Baskahegan Company.

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 criteria. 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 judgement 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.

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

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	▪ Company employees are knowledgeable about relevant local, state, and federal laws that pertain to forest management. ▪ No violations of relevant statutes have been reported. ▪ Company owners and employees demonstrate a long-term commitment to forest conservation that is consistent with FSC Principles. The management plan articulates this commitment. ▪ Long-term strategies and silvicultural treatments are clearly outlined in the management plan.	▪ None	▪
P2: Tenure & Use Rights & Responsibilities	▪ Public access is allowed for a variety of recreational activities. Unauthorized uses, e.g., ATVs, are reported to law enforcement personnel. ▪ Legal rights to company lands are clearly established; boundaries are well marked, and road are signed. ▪ Disputes over ownership have been rare, but one such case had to be settled in court.	▪ None	▪

P3: Indigenous Peoples' Rights	▪ The Company has initiated numerous affirmative actions intended to encourage the involvement of local Indian tribes in management planning, but there has been little or no interest. ▪ Nevertheless, Baskahegan Company personnel have investigated historic activities of tribes and continue to invite their participation. ▪ Company employees have consulted with the State Archaeologist to learn of sites that may contain pre-historic artifacts.	▪ The Company has not investigated the availability of GIS databases of archaeological sites.	
P4: Community Relations & Workers' Rights	▪ Employees of Baskahegan Company express satisfaction with wages, benefits, and working conditions. Tenure of employees confirms favorable working conditions. ▪ The Company uses two contractors for harvesting and road maintenance, and both have worked for Baskahegan for many years. ▪ Contracts with workers specify compliance with safety regulations and workman's compensation. The record of safety is excellent. ▪ All workers on company lands are local; the local community is international, however, as the company office is only a few miles from the border of New Brunswick.	▪ None	

P5: Benefits from the Forest	▪ Baskahegan Company has made numerous investments in infrastructure, such as a stable road system and bridges, stand mapping and inventories, and capabilities for GIS and harvest modeling. ▪ The forest is well stocked and will be more so in the future, as desirable stand conditions are achieved through careful improvement cutting. Pre-commercial thinning of softwood stands is a common practice. ▪ Great care is taken to avoid damage during harvest operations. ▪ Utilization of products is excellent, and local markets are diverse. ▪ The local economy depends on clean lakes and ponds for recreational activities; Baskahegan Company is committed to protection of water quality and watersheds. ▪ The Company continues to improve estimates of allowable cut by accumulating better data and using more sophisticated models. Where there is uncertainty, a conservation approach is taken.	▪ None	▪

P6: Environmental Impact	▪ The Company has made an exemplary effort to identify and inventory important ecological features by soliciting surveys and analyses conducted by Maine Natural Areas Program, The Nature Conservancy and Manomet Center for Conservation Science. ▪ "Gold" and "red" stands have been identified, representing the best examples of old growth and late successional stands for each forest type on the ownership. ▪ Desired future conditions have been established to achieve natural landscape patterns and ecological functions. ▪ Rare communities and unique stand types have been reserved. ▪ Standards for in-stand habitat features are included in the management plan and implemented in forest harvesting. ▪ Numerous safeguards protect water and soil; harvest contractors understand the importance of such efforts. ▪ Forest management seeks to restore and maintain natural stand dynamics; chemicals are not used routinely, and only native species are encouraged.	▪ Baskahegan Company is considering conversion of a small area of forest cover to accommodate commercial wind turbines; the rationale is that the larger economic and environmental good justified the loss of a small amount of forest production and will allow additional investment in Maine forestland. ▪ On some sites, harvesting and/or pre-commercial thinning shows a preference for balsam fir over red spruce. While fir is an appropriate species on the site, this practice is considered risky in terms of an integrated pest management strategy for spruce budworm.	▪

P7: Management Plan	▪ The management plan for Baskahegan Company is current (revised in 2009) and addresses all elements required by the standard: (1) goals, objectives, guiding principles, and actions; (2) descriptions of the forest resource being managed, including environmental limitations, adjacent lands, and socio-economic conditions; (3) detailed descriptions of silvicultural prescriptions and harvesting techniques; (4) rationale for the rate of annual harvesting and projections of harvest levels; (5) environmental safeguards, rare species and communities, and areas managed as reserves; and a detailed GIS database that depicts stand boundaries, roads, protected areas, and sensitive sites. ▪ A public summary of the management plan is available to the public upon request. ▪ Company staff and contractors are well trained, participate actively in continuing educational activities, and are fully capable of implementing the plan.	▪ Pre-commercial thinning crews should have more training to better understand company-specific objectives for desired results.	▪

P8: Monitoring & Assessment	▪ The Company President and Board of Trustees reviews progress toward the goals, objectives, and vision of the management plan. ▪ Careful records are maintained of harvest volumes for traditional products and of number of permits issued for non-traditional products, notably fir tips for wreath making. ▪ Standing timber, regeneration, and a number of within-stand ecological features are now being monitored with the Operational Cruise. ▪ Late successional and old growth stands delineated as "gold" or "red" are being monitored. ▪ Surveys for insect damage and disease are carried out in cooperation with the Maine Forest Service. ▪ Monitoring of game species is done by Maine Inland Fisheries and Wildlife; nongame birds are monitored by a volunteer field ecologist.	▪ None	▪
P9: Maintenance of High Conservation Value Forest	▪ Two rare bog communities have been identified and protected as HCVF. ▪ Additional inventories and consultation with ecologists have not resulted in identification of other candidates for HCVF. ▪ The management plan clearly identifies HCVF and provides for appropriate protection. ▪ Monitoring of the water regimes for the bog communities is conducted informally by company staff and periodically by The Nature Conservancy. Likewise, staff members are trained to recognize invasive plants that might occur in these bogs.	▪ None	

4.2 Preconditions

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

No preconditions were placed on Baskahegan Company during the assessment.

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 Baskahegan Company be awarded FSC certification as a "Well-Managed Forest" subject to the corrective action requests stated in Section 5.2. Baskahegan Company has demonstrated that their system of management is capable of ensuring that all of the requirements of the Northeast Standard are met over the forest area covered by the scope of the evaluation. Baskahegan Company has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

5.2 Initial Corrective Action Requests

No corrective action requests resulted from the September 2009 assessment of Baskahegan Company's conformance with the Standard.

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 Baskahegan Company to the Northeast Standard or any new standard that may replace the current Northeast Standard. Public summaries of surveillance evaluations will be posted separately on the SCS website (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, 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

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.