

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

Digger Mountain Forestry, LLC

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00106N**

Submitted to:

Digger Mountain Forestry, LLC

Lead Author: Sterling Griffin

Date of Field Audit: February 13, 2008

**Date of Report: March 7, 2008
Updated June 2009 (see section 6.1)**

Certified: April 24, 2008

By:

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Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the SCS website (www.scscertified.com) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of Digger Mountain Forestry, LLC (DMF).

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by DMF to conduct a certification evaluation of its Oregon, USA forest property. 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.

On February 12, 2008, a natural resource specialist was empanelled by SCS to conduct the evaluation. The auditor 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 auditor 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 DMF, for the management of its forested property in OR. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com).

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SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Digger Mountain Forestry, LLC
Contact person	Mike Haglund
Address	4196 N.E. Alameda Portland, OR 97212
Telephone	503.282.9844
Fax	
E-mail	mhaglund1@comcast.net
Certificate Number	SCS-FM/COC-00106N
Certificate/Expiration Date	April 24, 2008 – April 24, 2013
Certificate Type	Single Small or Low Intensity Managed Forest (SLIMF)
SLIMF	i) a small SLIMF certificate
Number of FMU's	One
Number of FMUs in scope that are less than 100 ha in area	
100 - 1000 ha in area	One
1000 - 10 000 ha in area	
more than 10 000 ha in area	
Location of certified forest area	
Latitude	44.426 N
Longitude	-124.067 W
Forest zone	Temperate
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	
are between 100 ha and 1000 ha in area	490 ac
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	490 ac
Total forest area in scope of certificate which is:	
privately managed ¹	490 ac
state managed	
community managed ²	
Number of forest workers (including contractors) working in forest within scope of certificate	7
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	98 ac
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	
Area of forest classified as 'high conservation value forest'	98 ac

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

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

List of high conservation values present ³	HCV 1
Chemical pesticides used	
Total area of production forest (i.e. forest from which timber may be harvested)	392 ac
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	
Area of production forest regenerated primarily by replanting ⁴	
Area of production forest regenerated primarily by natural regeneration	392 ac
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Douglas Fir Red Alder
Approximate annual allowable cut (AAC) of commercial timber	150 mbd ft
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Round wood Pulp wood Firewood Chips

Conversion Table English Units to Metric Units

Length Conversion Factors

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

Area Conversion Factors

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

Volume Conversion Factors

Volume

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

1 acre	= 0.404686 hectares
1,000 acres	= 404.686 hectares
1 board foot	= 0.00348 cubic meters
1,000 board feet	= 3.48 cubic meters
1 cubic foot	= 0.028317cubic meters

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

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

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.

1.2.1 Environmental Context

The 490 acre Digger Mountain Forest (DMF) is located along the southern bank of the Alsea River and bridges the border between Benton and Lincoln County, OR. The property has approximately three miles of frontage along the Alsea River and lies 17-19 miles due east of Tillicum Beach on the Pacific Ocean. On the west, the DMF is bounded by industrial forestland owned and managed by Weyerhaeuser. The Alsea River, an important salmon and steelhead bearing waterway, forms most of the boundary on the north and east. The Siuslaw National Forest is the primary southern neighbor with predominately older forests designated primarily for wildlife habitat.

1.2.2 Socioeconomic Context

According to the report titled – “Oregon’s First Approximation Report for Forest Sustainability” (Oregon Department of Forestry), *In Oregon, the volume of wood products manufactured has decreased considerably over the last ten to fifteen years, but the total value of wood products manufactured has been relatively stable when compared with other economic indicators such as timber production or employment. Log flows to mills have decreased, and lumber and plywood production per capita has decreased by one-half since 1969. Due to the decrease in lumber supply, new products have been developed to better utilize wood "waste," and the percentage of wood waste recycled is increasing every year.*

Cultural, Social, and Spiritual Needs and Values — Oregon’s forests provide a variety of values, ranging from plants and herbs used in traditional cultural practices, to scenic values and historic places. Many of these values do not have an economic value associated with them but are still very important to people’s spiritual, mental, and social health. These values are recognized by resource managers and provided for through protected designations such as wilderness areas; national historic sites; national wildlife refuges; and national recreation, scenic, and historic trails. Oregon currently has about 3.5 million acres of cultural and recreational areas.

Employment and Community Needs — Oregon’s timber industry employment has been higher than the national average for many years. Although Oregon’s wood products work force declined from 20 percent of the state’s total employment in 1956 to about 8 percent in 1985, wood products employment is still well above the 1 percent national average. There are many people and cities, especially in the rural parts of Oregon, dependent on timber for their well-being.

1.3 Forest Management Enterprise

1.3.1 Land Use

The DMF consists of four parcels acquired since 1990. The first parcel was heavily cutover land with 10-year old Douglas fir stands and areas that had been harvested without being regenerated. The second purchased parcel was acquired from Weyerhaeuser in 1998. The stands on this parcels consist of well-stocked Douglas fir and alder stands. The remaining two smaller parcels were purchased from small non-industrial landowners that had been previously managed for timber resources to varying degrees.

1.3.2 Land Outside Scope of Certification

The entire Digger Mountain Forestry property is within the scope of the certification.

1.4 Management Plan

1.4.1 Management Objectives

Environmental

- Adhere to best management practices to enhance air, water, soil and site quality.
- Maintain compliance with the P&C of the Forest Stewardship Council (FSC) Pacific Coast Standards and comply with the American Forest Foundation's Standards of Sustainability.
- Manage 20% of the suitable forestland to meet biodiversity, fish and wildlife, aesthetic, and recreational goals of the Haglund Family.

Timber Management

- Manage 80% of the suitable forestland with the goal of generating 1,000-1,500 board feet per year in perpetuity. Harvest a maximum of 150 mbf annually
- Strive to be a leader among non-industrial private forest landowners in terms of progressive sustainable forest management with superior financial returns.

Fisheries/Wildlife

- Manage riparian zones to maintain or enhance habitat for native fish, wildlife, and plant species with an emphasis on natural plant and animal communities and rare plants and animals.
- Emphasize management practices that enhance fish and wildlife and biodiversity.
- Gradually convert hardwood dominated riparian areas to conifer-dominant zones.

Recreation

- Create opportunities for enhanced family recreation.
- Evaluate potential to allow limited public access for recreation.

1.4.2 Forest Composition

The majority of stands on the DMF consists of 10-40 year old Douglas fir or Douglas fir/Alder mixed stands. Riparian areas contain red alder, maple, and other herbaceous species.

1.4.3 Silvicultural Systems

Silvicultural systems will emphasize “thinning-from-below”, group selection, and small clearcut regeneration harvests. Retention of 10-30% of preharvest basal area will be maintained within evenaged cuts. Replanting will be done on a mixed species basis with minimum stocking of 680 TPA. Conifer stands will emphasize uneven-aged management and alder management will be based on evenaged management with retention.

1.4.4 Management Systems

The 490 acre DMF is managed by a well developed forest management plan that is implemented by family members and logging contractors.

1.4.5 Monitoring System

DMF will maintain annual harvest and planting records. Growth plots have been established in all young stands to monitor growth and a notebook will maintained for each stand to record stocking levels and to record all stand treatments over time. Informal monitoring of treatment effectiveness is ongoing and conducted by family members.

1.4.6 Estimate of Maximum Sustainable Yield

Based on site class information, the goal is to grow 1,000-1,500 bf/acre/year. The actual growth based on current stand structure has not been calculated for the entire property; therefore, a conservative estimate of 150 mbf per year has been set as the upper-level for harvesting. Upon completion of a growth analysis, by stand or strata, a new annual allowable cut will be calculated (see CAR 2008.1)

1.4.7 Estimated, Current and Projected Production

Annual harvest levels over the previous ten-year period have averaged 112 mbf.

1.4.8 Chemical Pesticide Use

No herbicides on the FSC Highly Hazardous list will be used on the forest.

1.5 SLIMF Qualifications

DMF is considered a SLIMF based on the area of the forestland. The 490 acres is below the 1,000 ha threshold for qualification as a Small or Low Intensity Managed Forest.

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in Oregon, USA, the certification evaluation that is the subject of this report was conducted against the duly-endorsed Pacific Coast Standard v9.0. The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scscertified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The assessment occurred in February, 2008.

3.2 Assessment Team

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.

3.3 Assessment Process

3.3.1 Itinerary

Management documents were reviewed prior to the field visit and the forested property was visited on February 13, 2008. Additional documents were presented to the auditor on February 27. These documents were reviewed prior to writing the evaluation report and stakeholder consultation was on-going throughout the assessment period.

3.3.2 Stakeholder Consultation

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

To solicit input from affected parties as to the strengths and weaknesses of DMF 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 results from the scoping evaluation (if applicable), lists of stakeholders from the Sample 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:

- DMF owners and employees, including office and field
- contractors
- lease holders
- adjacent property owners
- Pertinent Tribal members and or representatives
- Members of the Pacific Coast 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 Sample 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 DMF, and their views on the management of the DMF 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.

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

A summary of the comments on the standard (where applicable) and major perspectives

and concerns expressed by the stakeholders that were consulted during the course of this evaluation include:

Comment/Concern	Response
<ul style="list-style-type: none"> • There have been no violations of Oregon Forest Practice Rules 	Comment Noted.
<ul style="list-style-type: none"> • DMF has done a great job with restoration efforts 	Comment Noted.
<ul style="list-style-type: none"> • Fisheries benefit from DMF style of management 	Comment Noted.
<ul style="list-style-type: none"> • One 3 acre area was not properly stocked after harvest and needed replanting 	DMF has replanted the areas with failed regeneration
<ul style="list-style-type: none"> • Nice job building new road extension to remove old river crossing. 	Comment noted.

3.4 Total Time Spent on audit

A total of 3.5 auditor days was spent on the DMF full assessment.

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	<ul style="list-style-type: none"> ▪ There have been no violations of ODF rules ▪ In most cases, operations have exceeded BMPs ▪ A commitment to achieve FSC Certification and manage according to the FSC P&C is written in the forest management plan. 	<ul style="list-style-type: none"> ▪ None noted 	
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Boundaries are clearly marked when operations occur near the boundary. There have been no issues with operations crossing boundaries. ▪ DMF maintains good relationships with neighbors, contractors, and the local community. 	<ul style="list-style-type: none"> ▪ None noted 	
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ DMF has contacted the local tribe to identify any significant cultural sites. ▪ The property under the scope of the evaluation is not owned or controlled by Indigenous people. 	<ul style="list-style-type: none"> ▪ None noted. 	
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ Employees and contractors are well paid and provided safety training. ▪ Contract loggers are experienced and able to complete complex operations. ▪ The landowners have hosted local extension workshops on the property. 	<ul style="list-style-type: none"> ▪ None noted 	

P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ DMF is actively pursuing new markets for underutilized species. ▪ Very little residual stand damage was noted during the field portion of the assessment. ▪ Woody debris is left on site when possible. Harvest units contained a high level of coarse woody debris. 	<ul style="list-style-type: none"> ▪ Actual growth based on current stand structure have not been calculated for the entire property 	<ul style="list-style-type: none"> ▪ See CAR 2008.1
P6: Environmental Impact	<ul style="list-style-type: none"> ▪ Management actions are currently designed to promote habitat for rare species (salmon and steelhead). Other species and their habitat are provided similar provisions if identified. ▪ There is a designated wildlife corridor within the property to facilitate migration and habitat connectivity within the landscape. ▪ All creeks and tributaries are managed according to the Category A guidelines. 	<ul style="list-style-type: none"> ▪ None noted 	<ul style="list-style-type: none"> ▪
P7: Management Plan	<ul style="list-style-type: none"> ▪ The management plan describes the desired future condition, goals and objectives, and the strategies for maintaining/enhancing forest structure. ▪ The management plan has been updated several times in the past years. 	<ul style="list-style-type: none"> ▪ The description of the annual harvest level in the management plans is an estimate based on inventory data. Specific figures must be developed. 	<ul style="list-style-type: none"> ▪ CAR 2008.1
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Implementation of the management plan is closely monitored by the landowners. The property is relatively small and informal monitoring is ongoing. ▪ The roads are closely monitored by the landowners. Conditions and needed improvement are noted and corrections are made when needed. 	<ul style="list-style-type: none"> ▪ None noted 	

P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ The HCVF areas are managed for enhancement of the attributes. ▪ Management of the property is done in coordination with other landowners. There is good dialogue among small landowners and the Forest Service. 	<ul style="list-style-type: none"> ▪ None noted 	
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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 Digger Mountain Forestry, LLC during the initial evaluation.

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the Digger Mountain Forestry, LLC be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action request stated in Section 5.2. DMF has demonstrated that their system of management is capable of ensuring that all of the requirements of the Pacific Coast Standard are met over the forest area covered by the scope of the evaluation. DMF 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 Request

Background/Justification: Growth rates must equal or exceed average harvest rates over rolling periods of no more than 10 years. The actual growth based on current stand structure has not been calculated for the property.	
CAR 2008.1	DMF must use stand inventory data to project actual volume growth in order to provide property-wide sustained yield figures. The average annual harvest rate shall be stated in the management plan and shall not exceed the periodic growth rates.
Deadline	<i>2009 Annual Audit</i>
Reference	FSC Indicator 5.6.a, 7.1.d.1

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 Digger Mountain Forestry, LLC (DMF) to the Pacific Coast Standard v9.0. Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scscertified.com).

6.1 2009 Annual Audit

6.1.0 2009 SURVEILLANCE DECISION AND PUBLIC RECORD

6.1.1 Assessment Dates

Since the 2008 full evaluation, DMF and/or SCS realized the following activities in preparation for this annual audit:

- In May and June 2009, DMF contracted Forest Analytics, LLC to conduct a forest inventory and analysis to respond to CAR 2008.1.

Approximately 1 auditor day was spent on this annual audit, including document review.

6.1.2 Assessment Personnel

Kyle Meister, M.F. – Team member, Scientific Certification Systems. Mr. Meister is a Certification Forester with Scientific Certification Systems. Recent audits include the Mendocino Redwood Company’s Resource Manager Program, Michigan DNR, Trout Mountain Forestry, Collins-Lakeview, Swanton Pacific Ranch, Minnesota Wood Education Project, and St. John’s Abbey. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan. He recently completed a Master of Forestry degree at the Yale School of Forestry and Environmental Studies. He has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, and Colombia.

6.1.3 Assessment Process

Due to its status as a SLIMF and that only a moderate amount of forest management activities were to be conducted, the 2009 annual audit was a desk audit. It included document review and interviews with management. The auditor provided DMF management with a questionnaire prior to the audit to facilitate the assessment process.

6.1.4 Status of Corrective Action Requests

Background/Justification: Growth rates must equal or exceed average harvest rates over rolling periods of no more than 10 years. The actual growth based on current stand structure has not been calculated for the property.	
CAR 2008.1	DMF must use stand inventory data to project actual volume growth in order to provide property-wide sustained yield figures. The average annual harvest rate shall be stated in the management plan and shall not exceed the periodic growth rates.
Deadline	<i>2009 Annual Audit</i>
Reference	FSC Indicator 5.6.a, 7.1.d.1
DMF Response/ SCS auditor comment: DMF contracted Forest Analytics, LCC to conduct a forest inventory and analysis. Forest Analytics used the inventory data to provide an estimate of annual growth and harvest based on even-aged management scenarios, mainly thinnings and small-scale clearcuts. Average annual growth	

is estimated at 332.5 MBF and the allowable annual harvest is 196.1 MBF. The model covers 9 years (2008-2017). Since DMF is transitioning to selection silviculture on many stands, the average annual harvest is likely to be less than 196.1 MBF. In future years, DMF is likely combine inventorying methods for forest carbon and timber production modelling.

Disposition of this CAR	This CAR is closed.
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6.1.5 General Observations

Digger Mountain Forestry, LLC and its associated forest products mill and marketing venture, the Columbia Riverwood Company, have made great strides this year in promoting responsible forest management and the procurement of products from well-managed forests. DMF is in the process of converting an old pasture to a mix of native tree species, including Douglas-fir, Western redcedar, and Western hemlock. DMF recently sent a proposal to the Conservation Reserve Enhancement Program to conduct timber stand improvement and invasive species control (Himalayan blackberry and Reed Canary grass) in 70 acres of a riparian management zone (RMZ). Some Western redcedar is to be transplanted into understocked areas of the RMZ. DMF allows the State Fish and Wildlife Survey to conduct fisheries surveys twice per year in exchange for copies of the results. The State’s survey indicates that some of the best local spawning grounds are located on DMF property.

DMF/Columbia Riverwood have been active in seeking opportunities in local LEED projects and biomass. Through a combination of wood salvaged from old river rafts and harvested Red alder, they have been able to generate some revenue in the construction of a LEED-certified hospital. DMF sells Red alder firewood and has purchased a kiln for its mill to make use of wood waste.

6.1.6 New Corrective Action Requests and Recommendations

There were no new CARs issued as a result of this annual audit.

Recommendations:

Background/Justification: DMF planted Coastal redwood (<i>Sequoia sempervirens</i>) 2-4 years ago mixed with native species. Although, Coastal redwood was present on the western slopes of the Cascades before the last ice age and some of the native species of Oregon occur in its current range, the glaciers significantly altered the physical geography of the region. Other important ecological factors, such as precipitation, summer fog, day length, wildlife, forest species composition, stand dynamics, and soil biota may influence the current extent of Coastal redwood. Arguments for the introduction of Coastal redwood based on climate change may or may not hold up to scientific scrutiny as a whole slew of ecological interactions will determine the expansion or contraction of this specie’ range on a geological time scale.	
REC 2009.1	DMF should conduct an analysis of peer-reviewed literature on the invasive potential of <i>Sequoia sempervirens</i> and the species’ effects on biodiversity in the Cascade ecoregion of Oregon. If the literature review returns inconclusive, contradictory or scant information, DMF should monitor the ecological effects of this species.

Reference	FSC Indicator 6.9.a.
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6.1.7 General Conclusions of the Annual Audit

Based upon information gathered through interviews and document reviews, the SCS audit team concludes that DMF’s management of its forested lands in Oregon continues to be in strong overall compliance with the FSC Principles and Criteria detailed in the Pacific Coast Regional Guidelines. The SCS audit team has concluded from this annual audit that DMF’s forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as DMF’s operations are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted subject to subsequent annual audits.

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.