

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

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

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

**CERTIFICATION REGISTRATION NUMBER  
SCS-FM/COC-00123G**

**Submitted to:**

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

**Lead Author:**

**Michael Thompson**

**Date of Field Audit:**

**October 20-24, 2008  
November 16-18, 2009**

**Date of Report:**

**February 22, 2010**

**Certified: March 8, 2009**

**By:**

**SCIENTIFIC CERTIFICATION SYSTEMS  
2200 Powell St. Suite Number 725  
Emeryville, CA 94608, USA  
[www.scscertified.com](http://www.scscertified.com)**

**SCS Contact: Dave Wager [dwager@scscertified.com](mailto:dwager@scscertified.com)**

**Client Contact: John Seifert [jseifert@dnr.in.gov](mailto:jseifert@dnr.in.gov)**

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

## **FOREWORD**

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by the Indiana Department of Natural Resources (DNR) Division of Forestry to conduct a certification evaluation of the Classified Forest and Wildlands Program under an FSC group certification scenario. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In October 20-24, 2008, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 4-day field and office audit of the subject properties as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

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

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

In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site ([www.scscertified.com](http://www.scscertified.com)).

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## SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 FSC Data Request

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

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

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

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

<sup>4</sup> A community managed forest management unit is one in which the management and use of the forest and tree resources is controlled by local communities.

	available for harvest; within the overall program, Classified Wildlands are specifically managed for conservation values, but the FSC group certification applies specifically to Classified Forests
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	0 ha recorded; some NTFPs are undoubtedly harvested from Classified Forests, but few – if any – lands are managed for NTFPs to the exclusion of timber
Area of forest classified as 'high conservation value forest'	9,820 acres.
List of high conservation values present <sup>5</sup>	Predominantly habitat for rare, threatened and endangered species and rare natural communities, municipal watersheds, and large intact forests where the group member owns a portion of a larger tract
Chemical pesticides used	2,4 D (non banned formulations), Glyphosate, Imazapic, Imazapyr, Picloram, Sethoxydim, Triclopyr.
Total area of production forest (i.e. forest from which timber may be harvested)	Approximately 213,816 ha
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0 ha meeting the FSC definition of plantation, but some areas are planted
Area of production forest regenerated primarily by replanting <sup>6</sup>	0 ha (natural regeneration predominates); some Classified Forests and Wildlands properties are old fields that were planted to hardwoods and allowed to progress to a natural stand condition.
Area of production forest regenerated primarily by natural regeneration	Approximately 213,816 ha (528,332 ac)
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)  Note: There are over 100 native trees that can be used to produce forest products in Indiana. The accompanying list indicates the species more commonly used in the forest products industry.  A list of non-timber species that could potentially be sold as FSC-certified from group-member properties was not available at the time of the audit.	American chestnut ( <i>Castanea dentata</i> ) White ash ( <i>Fraxinus americana</i> ) Green ash ( <i>Fraxinus pennsylvanica</i> ) Black ash ( <i>Fraxinus nigra</i> ) Blue ash ( <i>Fraxinus quadrangulata</i> ) American basswood ( <i>Tilia americana</i> ) American beech ( <i>Fagus grandifolia</i> ) Ohio Buckeye ( <i>Aesculus glabra</i> ) Butternut ( <i>Juglans cinerea</i> ) Black cherry ( <i>Prunus serotina</i> ) Kentucky coffeetree ( <i>Gymnocladus dioicus</i> ) Eastern cottonwood ( <i>Populus deltoides</i> ) American elm ( <i>Ulmus americana</i> ) Red/Slippery elm ( <i>Ulmus rubra</i> ) Blackgum ( <i>Nyssa sylvatica</i> ) Sweetgum ( <i>Liquidambar styraciflua</i> ) Hackberry ( <i>Celtis occidentalis</i> ) Sugar (Hard) maple ( <i>Acer saccharum</i> ) Silver (Soft) maple ( <i>Acer saccharinum</i> ) Red (Soft) maple ( <i>Acer rubrum</i> )

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

<sup>6</sup> The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

	Shagbark hickory ( <i>Carya ovata</i> ) Mockernut hickory ( <i>Carya alba</i> ) Bitternut hickory ( <i>Carya cordiformis</i> ) Pecan ( <i>Carya illinoensis</i> ) Black locust ( <i>Robinia pseudoacacia</i> ) Honey locust ( <i>Gleditsia triacanthos</i> ) White oak ( <i>Quercus alba</i> and others) Red oak ( <i>Quercus rubra</i> and others) Osage-Orange ( <i>Maclura pomifera</i> ) Sassafras ( <i>Sassafras albidum</i> ) American sycamore ( <i>Platanus occidentalis</i> ) Black walnut ( <i>Juglans nigra</i> ) Black willow ( <i>Salix nigra</i> ) Yellow-poplar ( <i>Liriodendron tulipifera</i> ) Persimmon ( <i>Diospyros virginiana</i> ) American Basswood ( <i>Tilia Americana</i> ) Eastern White pine ( <i>Pinus strobus</i> )
Approximate annual allowable cut (AAC) of commercial timber	Average annual cut of approximately 30 million board feet (Doyle)
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	NTFP volumes are not tracked
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Round wood, pulpwood, and chips

## Conversion Table English Units to Metric Units

### Length Conversion Factors

<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	= 0.028317 cubic meters
1,000 cubic feet	= 28.317 cubic meters
Breast height	= 1.4 meters, or 4 1/2 feet, above ground level

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

## **1.2 Management Context**

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

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

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

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

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

associated with the following statutes:

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

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

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

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

**1.2.1 Environmental Context**

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

**1.2.2 Socioeconomic Context**

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

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

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

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

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

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

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

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

### **1.3 Forest Management Enterprise**

#### **1.3.1 Land Use**

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

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

Lands in Indiana outside the scope of the certification include:

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

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

#### **1.4 Management Plan**

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

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

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

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

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

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

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

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

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

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

#### **1.4.2 Forest Composition**

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

#### **1.4.3 Silvicultural Systems**

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

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

#### **1.4.4 Management Systems**

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

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

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

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

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

#### **1.4.5 Monitoring System**

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

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

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

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

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

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

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

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

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

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

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

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

### **1.5 SLIMF Qualifications**

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

## **2.0 GUIDELINES/STANDARDS EMPLOYED**

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

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

## **3.0 THE CERTIFICATION ASSESSMENT PROCESS**

### **3.1 Assessment Dates**

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

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

### **3.2 Assessment Team**

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

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

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

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

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

### **3.3 Assessment Process**

#### **3.3.1 Itinerary**

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

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

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

The following itinerary was followed for the full evaluation:

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

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

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

***Tuesday, October 21***

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

***Wednesday, October 22***

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

***Thursday, October 23***

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

***Friday, October 24***

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

**3.3.2 Evaluation of Management System**

The approach to evaluation of the management system included:

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

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

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

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

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

### **3.3.4 Sites Visited**

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

### **3.3.5 Stakeholder Consultation**

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

- To solicit input from affected parties as to the strengths and weaknesses of the Indiana Classified Forests Program, relative to the standard, and the nature of the interaction between the Indiana DNR Division of Forestry (the group manager) and the surrounding communities; and
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon lists of stakeholders from the Indiana DNR Division of Forestry and additional stakeholder contacts from other sources (e.g., members of the regional FSC working group). The

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

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

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

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

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

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

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

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

#### General Concerns

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

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

### Economic Concerns

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

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

### Social Concerns

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

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

### Environmental Concerns

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

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

### Follow-Up Audit

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

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

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

### 3.4 Total Time Spent on audit

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

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

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

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

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

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

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

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

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

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

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

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

#### **4.0 RESULTS OF THE EVALUATION**

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the Corrective Action Request (CAR) numbers related to each principle. For the sake of transparency, weaknesses observed during the initial evaluation - even if resolved - remain in the table. In these instances, however, efforts to address the weakness are also noted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 4.2 Pre-conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 5.0 CERTIFICATION DECISION

### 5.1 Certification Recommendation

As determined by the full and proper execution of the SCS Forest Conservation Program evaluation protocols, the evaluation team hereby recommends that the Indiana Division of Forestry's Classified Forest & Wildlands Program be awarded FSC certification as a "Well-Managed Forest", having successfully addressed the pre-conditions stated in Section 4.2, subject to the Initial Corrective Action Requests in Section 5.2.

### 5.2 Initial Corrective Action Requests

<p><b>Nonconformity:</b> FSC Criterion 1.1, specifically Indicator 1.1.a, requires that forest management shall respect all national and local laws and administrative requirements. This requirement extends to forest operations and includes activities performed by loggers, log truck drivers, and other forest workers. Federal regulations (OSHA 1910.266(a)(d)(1)), as well as the ILO Guidelines for Safety and Health in Forestry Work (see FSC Criterion 1.3), require that loggers wear certain personal protective equipment (PPE) while harvesting trees. Loggers were observed, however, felling trees without all the necessary PPE and District Foresters indicated that this was not a unique occurrence.</p>	
<p><b>Minor CAR 2009.1</b></p>	<p>The Division of Forestry must: 1) develop a program for ensuring that personnel involved with harvest operations on certified Classified Forest Program properties wear the appropriate PPE for their assigned task; 2) provide evidence that input from representatives of the logging industry were consulted during program development; and 3) document that the program is being implemented.</p>
<p><b>Deadline</b></p>	<p>By the first annual audit</p>
<p><b>Reference</b></p>	<p>FSC Indicator 1.1.a</p>

<p><b>Nonconformity:</b> FSC Criterion 1.1, specifically Indicator 1.1.b, requires that forest management operations follow available best management practices (BMPs). Evidence of BMP non-compliance, however, was observed on several of the sites visited by the audit team and included such things as missing waterbars, incorrectly installed waterbars, and skidding logs in creeks. Some BMP non-compliance is detected during the Division's 5-year inspection process, but this system alone is not timely enough to ensure compliance with FSC Indicator 1.1.b.</p>	
<p><b>Minor CAR 2009.2</b></p>	<p>The Division of Forestry must: 1) develop a monitoring and enforcement program for ensuring that harvest operations on Classified Forest Program properties follow applicable BMPs, 2) demonstrate that appropriate Division of Forestry staff have been trained in program implementation, and 3) document that the program is being implemented.</p>
<p><b>Deadline</b></p>	<p>By the first annual audit</p>
<p><b>Reference</b></p>	<p>FSC Indicator 1.1.b</p>

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

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

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

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

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

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

	Item 4) The Division of Forestry has developed protocols for reviewing draft management plans developed under the new template.
<b>Auditor's Comments</b>	The updated draft management plan template was available during the initial audit in 2008. Following that audit, the template was finalized and distributed to District Foresters. During the November 2009 follow-up audit, District Foresters indicated that they had been trained in the use of the template and example current management plans were provided for inspection.
<b>Status</b>	CLOSED

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

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

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

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

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

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

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

<p>environmental indicators, removals that are too light may not result in adequate regeneration of desired species. The Division of Forestry is renewing its commitment to focusing on the desired future condition of stands when preparing or reviewing management plans. As part of this effort, additional attention should be given to the regeneration of stands, where appropriate, as they relate to long-term desired future conditions.</p>	
<p><b>Minor CAR 2009.9</b></p>	<p>The Division of Forestry must: 1) use available data (e.g., the recent analysis of FIA data) to evaluate the long-term stand development trajectory of group member properties as a whole, given current forest conditions, typical harvest practices, and expected successional patterns for dominant forest types; 2) evaluate the need for more long-term attention to regeneration harvests in dominant forest types (e.g., oaks, maples, etc.); 3) if such attention is warranted, evaluate the need for additional silvicultural training or guidelines related to regeneration harvests; and 4) implement such training and/or prepare and disseminate such guidelines, if warranted.</p>
<p><b>Deadline</b></p>	<p>By the second annual audit</p>
<p><b>Reference</b></p>	<p>FSC Indicator 6.3.a.2</p>

<p><b>Nonconformity:</b> FSC Indicator 7.1.i requires that the management plan include a description and justification of harvesting techniques and equipment to be used. Indicator 7.1.i.1 requires that harvest machinery and techniques are discussed in the management or harvest plan. Indicator 7.1.i.2 further requires that conditions for each timber sale are established by a timber sale contract or written harvest prescription and accompanying timber sale map. Many parcels don't have harvest plans, unless they are prepared by a consulting forester or industry forester. Most operations in Indiana use the same equipment (i.e., chainsaw and skidder), so model discussions of typical harvest protocols for these systems could be handled at the group level. The team notes that harvest plans should be appropriate to the scale and intensity of operations, which is often a low-impact logging situation. The team also notes that the Division of Forestry provides landowners with model harvesting contracts.</p>	
<p><b>Minor CAR 2009.10</b></p>	<p>The Division of Forestry must: 1) develop a system for ensuring that management or harvest plans contain a description and justification of harvesting techniques and equipment to be used; and 2) take steps to ensure that the conditions for each timber sale on group member properties is established in a timber sale contract or written harvest prescription with an accompanying timber sale map.</p>
<p><b>Deadline</b></p>	<p>By the first annual audit</p>
<p><b>Reference</b></p>	<p>FSC Indicator 7.1.i and 7.1.i.2</p>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>Background/Justification:</b> FSC Indicator 2.1.a requires that forest owners or managers document the legal and customary rights associated with the forest. These rights include both those held by the party seeking certification and those held by other parties. Based on management plans inspected to date and interviews with District Foresters, it appears that most legal rights are described in the management plan, including leases, easements, County roads, oil and gas wells and lines, and County drainage easements. The team recommends, however, that the need to include these legal rights, as well as any customary rights, in the management plan for each parcel should be reinforced with District Foresters, industry foresters, and consulting foresters.	
<b>REC 2009.3</b>	We recommend that the Division of Forestry: 1) inform District Foresters, industry foresters, and consulting foresters of the need to document legal and customary use rights in the management plan; and 2) develop a quality assurance program for ensuring that such information is included in all management plans.
<b>Reference</b>	FSC Indicator 2.1.a
<b>Background/Justification:</b> FSC Indicator 3.1.a requires that on tribal lands, forest management and planning includes a process for input by an authorized tribal governing body. Tribal enterprises are known to be buying land in Indiana, and these properties <u>may</u> be enrolled in the Classified Forest Program. Tribal enterprise lands would be subject to the requirements found in Principle 3 that relate to tribal lands.	
<b>REC 2009.4</b>	We recommend that the Division of Forestry: 1) screen their Classified Forest Program database for lands owned by tribal enterprises and see what processes exist for soliciting input by an authorized tribal governing body. If such lands are found, we recommend that the Division of Forestry take all steps necessary to ensure compliance with relevant aspects of Principle 3.
<b>Reference</b>	FSC Indicator 3.1.a

## 6.0 SURVEILLANCE EVALUATIONS

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

## 7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures and the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (CoC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An “**appeal**” is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

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

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.