

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

Inter-State Hardwoods Co., Inc.
Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body

CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC- 00128N

Submitted to:

Inter-State Hardwoods Co., Inc.
P.O. Box 7
Bartow WV 24930

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**Revised—22 January 2010, 16 April 2010, 10 May 2010, 13 July 2010, 27 August 2010,
2 September 2010**

Certified: September 13, 2010

By:

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Organization of the Report

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

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Inter-State Hardwoods Co. to conduct a certification evaluation of the company timberlands located in eastern Maine. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed,” thereby enabling use of the FSC endorsement and logo in the marketplace.

In November 2009, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a two-day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation that preconditions exist and must be satisfactorily addressed before the award of FSC-endorsed certification to Inter-State Hardwoods Co. for the management of its forest estate in West Virginia and Maryland. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scs-certified.com).

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Non-conformance: Related to the sustainability of harvest levels, ISHLM foresters have not conducted analyses that show desired levels of age-class and species distributions as part of allowable harvest calculations or desired future conditions. Details of the rationale for the rate of annual harvest and species selection are lacking in portions of the management plan.	30
CAR 2009.2	30
ISHLM shall continue to develop the growth and yield modeling described in their management plan to produce desired levels of age-class and species distributions commensurate with sustainable harvest levels. ISHLM shall include the rationale for the rate of annual harvest and species selection in the management plan.	30
Deadline	30
By the first annual audit.....	30
Reference	30
Indicators 5.6.b, 5.6.d., and 7.1.d.....	30
Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, (2) Howe’s Silviculture Plan, and (3) WV Timber Operations Form. On 18 January 2010, a fourth document was submitted: (4) example of print-out from update to the software for processing timber cruise information. See CAR 2009.3 for a description of documents (1) and (2). The auditors’ assessment of these documents, with respect to the CAR, is as follows:	30
Document (3) has no relevance to this CAR. Document (4) is relevant and shows that the software now displays BA calculations for diameter-class tallies (although the numbers for BA are curious). Although these submissions confirm progress, the indicator has not yet been fully addressed.....	30

Status	30
CAR remains open.....	30
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SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Inter-State Hardwoods Co., Inc.
Contact person	Bryan Vernon, President
Address	P.O Box 7, Bartow, WV 24930
Telephone	304-456-4597
Fax	
E-mail	missy_ish@frontiernet.net
Certificate Number	
Certificate/Expiration Date	
Certificate Type	<i>Single FMU</i>
Number of FMU's <i>if applicable</i>	<i>1</i>
Number of FMUs in scope that are	
less than 100 ha in area	#
100 - 1000 ha in area	#
1000 - 10 000 ha in area	#1
more than 10 000 ha in area	#
Location of certified forest area	
Latitude	
Longitude	
Forest zone	<i>Appalachian Hardwoods</i>
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	<i>0 ha or ac</i>
are between 100 ha and 1000 ha in area	<i>0 ha or ac</i>
meet the eligibility criteria as <i>low intensity SLIMF</i> FMUs	<i>0 ha or ac</i>
Total forest area in scope of certificate which is:	
privately managed ¹	<i>6343 ac</i>
state managed	<i>ha or ac</i>
community managed ²	<i>ha or ac</i>
Number of forest workers (including contractors) working in forest within scope of certificate	<i>30</i>
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	<i>0 acres,</i>
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	<i>0 ha or ac</i>
Area of forest classified as 'high conservation value forest'	<i>0 acres</i>
List of high conservation values present ³	
Chemical pesticides used	<i>None</i>

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

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

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

Total area of production forest (i.e. forest from which timber may be harvested)	<i>6343 acres</i>
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	<i>0 ha or ac</i>
Area of production forest regenerated primarily by replanting ⁴	<i>0 ha or ac</i>
Area of production forest regenerated primarily by natural regeneration	<i>all</i>
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	<i>Red and sugar maples (Acer rubrum, A. saccharum) Eastern white pine (Pinus strobus) American Beech (Fagus grandifolia) Tuliptree (Liriodendron tulipifera) Black, northern red, white, chestnut and scarlet oaks (Quercus velutina, Q. rubra, Q. alba, Q. prinus, and Q. coccinea) Shagbark and bitternut hickories (Carya ovata, C. cordiformis) Black cherry (Prunus serotina) Eastern hemlock (Tsuga Canadensis) Black locust (Robinia pseudoacacia)</i>
Approximate annual allowable cut (AAC) of commercial timber	<i>300,000 bd ft</i>
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	<i>None</i>
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.)	<i>Hardwood saw logs Hardwood pulp Hardwood pallet wood White pine home logs Hemlock rails and fencing Locust fencing</i>

Conversion Table English Units to Metric Units

Length Conversion Factors

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

Area Conversion Factors

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

Volume Conversion Factors

Volume

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

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

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

As a land management and harvesting enterprise located in the Central Appalachian Forest Region in western West Virginia, management of the Inter-State Hardwoods Co. (ISHLM) forest is subject to a host of local, state and federal regulations. The principal regulations of greatest relevance to forest managers in the Central Hardwoods Region are associated with the following statutes:

Pertinent Regulations at the Federal Level:

- Endangered Species Act
- Clean Water Act (Section 404 wetland protection)
- Occupational Safety and Health Act
- National Historic Preservation Act
- Archaeological and Historic Preservation Act
- Americans with Disabilities Act
- Forest Resources Conservation and Shortage Relief Act
- National Resource Protection Act
- National Environmental Protection Act
- National Wild and Scenic River Act
- Occupational Safety and Health Act of 1970
- Archeological and Historic Preservation Act
- National Historic Preservation Act
- Native American Grave Protection and Repatriation Act
- Rehabilitation Act
- Architectural Barriers Act
- U.S. ratified treaties, including CITES and ILO

Pertinent Regulations at State and Local Level:

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

- Logging Sediment Control Act
- Managed Timberland Tax Incentive www.wvforestry.com

1.2.1 Environmental Context

The Central Appalachian ecoregion, stretching from central Pennsylvania to northern Tennessee, is primarily a high, dissected, rugged plateau composed of sandstone, shale, conglomerate, and coal. The rugged terrain, cool climate, and infertile soils limit agriculture, resulting in a mostly forested land cover. The high hills and low mountains are covered by a mixed mesophytic forest with areas of Appalachian oak and northern hardwood forest. Bituminous coal mines are common, and have caused the siltation and acidification of streams.

This northeast-southwest trending, relatively low-lying, but diverse ecoregion is sandwiched between generally higher, more rugged mountainous regions with greater forest cover. As a result of extreme folding and faulting events, roughly parallel ridges and valleys have a variety of widths, heights, and geologic materials, including limestone, dolomite, shale, siltstone, sandstone, chert, mudstone, and marble. Springs and caves are relatively numerous. Present-day forests cover about 50% of the region. The ecoregion has a diversity of aquatic habitats and species of fish.

The following information (www.worldwildlife.org) describes the characteristics and biological importance of the Mixed Mesophytic Forest region of the Central Appalachian ecoregion:

The Appalachian Mixed Mesophytic Forests ecoregion encompasses the moist broadleaf forests that cover the plateaus and rolling hills west of the Appalachian Mountains. The ecoregion represents one of the most biologically diverse temperate regions of the world. Forest communities often support more than 30 canopy tree species at a single site, and rich understories of ferns, fungi, perennial and annual herbaceous plants, shrubs, small trees, and diverse animal communities. Songbirds, salamanders, land snails, and beetles are examples of some particularly diverse taxa.

The lower elevation forests contain a variety of forest types with magnolias (*Magnolia* spp.), oaks (*Quercus* spp.), hickories (*Carya* spp.), walnuts (*Juglans* spp.), elms (*Ulmus* spp.), birches (*Betula* spp.), ashes (*Fraxinus* spp.), basswoods (*Tilia* spp.), maples (*Acer* spp.), locusts (*Robinia* spp.), and pines (*Pinus* spp.). The grand tulip poplar (*Liriodendron tulipifera*), blackgum (*Nyssa sylvatica*), eastern hemlock (*Tsuga canadensis*), black cherry (*Prunus serotina*), sweetgum (*Liquidambar styraciflua*), American beech (*Fagus grandifolia*), and yellow buckeye (*Aesculus octandra*).

Higher elevation forests toward the east have yellow birch, mountain maple, sugar maple, beech, and eastern hemlock with extensive understories of mountain laurel (*Kalmia latifolia*) and rhododendron (*Rhododendron* spp.). A variety of restricted habitats occur within the forests including glades, heath barrens, shale barrens, and sphagnum bogs. Many of these communities support endemic plants and land snails. Cranberry bogs harbor a range of species that are normally associated with more northerly ecoregions such as cranberry (*Vaccinium* spp.), blueberry (*Vaccinium* spp.), bog rosemary (*Andromeda glaucophylla*), buckbean (*Menyanthes trifoliata*), northern goshawk (*Accipiter gentilis*), fisher (*Martes pennanti*), and black-billed magpie (*Pica pica*). Such bogs and glades are relicts that have survived with their disjunct populations of cool-adapted species since cooler glacial epochs.

Surrounding high elevation forests also support disjunct northern species such as the Canada yew (*Taxus canadensis*), eastern larch (*Larix laricina*), red pine (*Pinus resinosa*), and balsam fir (*Abies balsamea*).

Larger blocks of forest presently occur in federal and state forests, wilderness areas, and state natural areas. Most significantly, lands owned and managed by Inter-State Hardwoods are in close proximity to nearly 1 million acres of the Monongahela National Forest.

1.2.2 Socioeconomic Context

Inter-State Hardwoods Co., Inc. is located in Pocahontas County, West Virginia. As of 2000, the population was 9,131. The median income for a household in the county was \$26,401, and the median income for a family was \$32,511. The per capita income for the county was \$14,384. About 12.70% of families and 17.10% of individuals were below the poverty line, including 20.20% of those under age 18 and 14.60% of those aged 65 or over. According to statistics from the Bureau of Labor- forest products industry related jobs (including forest management and wood processing) are an important sector of the economy for Pocahontas County.

The majority of the land owned by ISHLM is in Randolph County, WV. In 2000, there were 28,262 people in Randolph County, 27 per square mile. The per capita income for the county was \$14,918. About 13.40% of families and 18.00% of the population were below the poverty line. Other counties in West Virginia where ISHLM owns land have similar demographic characteristics. Mining, forest-related jobs, and outdoor recreation are the dominant industries.

ISHLM also owns and managed land in Garrett County, MD. As of 2000, there were 29,846 people in Garrett County, and the population density was 46/sq mi. The per capita income for the county was \$16,219. About 9.80% of families and 13.30% of the population were below the poverty line. Tourism has become increasingly important in recent years, and along with logging and farming makes up the greatest part of the economic base.

1.3 Forest Management Enterprise

Inter-State Hardwoods Co., Inc. is a private land management and lumber manufacturing company with headquarters in Bartow, West Virginia. The Company currently has management control over approximately 6,434 acres of timberland in West Virginia and Maryland that are within the scope of the FSC Program. The mill and the land management enterprise are privately owned, but have been in the same family since 1966. In 1999-2000, forested lands owned by the company were sold to The Forestland Group, an FSC-certified owner. Since that time, additional lands have been purchased. Most of the parcels and most of the acreage, are in Randolph County, but tracts are owned also in Barbour, Pocahontas, Preston, Tucker, and Webster counties, West Virginia. One tract of land, 481 acres is in

nearby Garrett County, Maryland. In total, there are 25 separate tracts of land, averaging about 250 acres in size.

1.3.1 Land Use

Bartow, West Virginia, is set in a rural, mountainous region of the Appalachians, bordering equally rural parts of Virginia and Maryland. The Forest Inventory and Analysis (USDA Forest Service 2000) states that West Virginia is the third most heavily forested state in the nation, with 78% of the land covered by forest. The six counties where ISH owns land average almost 90% forest cover. Small farming operations account for much of the remaining land use.

1.3.2 Partial Certification- Land Outside Scope of Certification

Inter-State Hardwoods Co. has not excluded any lands under ownership from the scope of certification.

1.4 Management Plan

A number of documents and files comprise ISHLMs management plan. The core plan is presented in document ISHLM-DP-02 and is organized to present evidence or indicate the source of evidence for the nine relevant FSC principles. The plan provides excellent guidance for company employees in terms of policies and procedures intended to assure conformance with FSC standards. And, it is a useful document for auditors assessing conformance with the standards. In addition to document DP-02, the company has compiled a number of other documents that function as evidence files, again organized to address the nine relevant principles of FSC.

In addition to the evidence files, a file is maintained for each tract of land. Tract files contain much of what would be expected in a management plan: relevant legal documents, maps, survey information, plots of cruise points, data on volume estimation, information on harvesting contracts, volumes harvested, necessary permits, pre- and post-harvest assessments, etc.

The company does not maintain a GIS system, given the small size of its land holdings. It is moving toward a more integrated system that may eventually allow tract information to be displayed spatially, however. At present, specially designed software, Forestry Systems, is used to store and analyze information from cruises on each tract and to summarize volume data by species. Newly developed tables now allow the company to plot species data by size classes as well as volume. The management plan, as presented during the assessment, does not include summaries of species by age classes and volume on company lands, thus there are no corresponding analyses of desired future conditions for stand composition. The plan has several other deficiencies as well, and these are addressed by several corrective action requests.

1.4.1 Management Objectives

The only statement of management objections for the company is found in a recent silvicultural plan for one of the company's forest tracts: "Inter-State Hardwoods Co., Inc. is interested in managing its timberland to its maximum capacity for growing quality sawtimber size logs, while maintaining the woodland, water quality, scenic and aesthetic purposes, and protection against fire, insect and disease threats." This statement is not sufficient to satisfy standards found in FSC Principle 7 and is the subject of a conditional action request.

1.4.2 Forest Composition

The northeastern counties of West Virginia comprise 4,470,000 acres of forest (USDA Forest Service 2000). Sixty-one percent of these acres can be classified as oak-hickory forest types, with 29% being northern hardwoods. Lands managed by Inter-State Hardwoods Co. are characterized by 36% oak species, 20% tulip poplar, 19% maples, and 25% mixed hardwoods.

1.4.3 Silvicultural Systems

The ISHLM management plan indicates that "the company practices a 'natural' form of forest management involving partial harvests, uneven-aged management, natural regeneration and management for all commercial species. ISHLM's management is intended to mimic natural disturbance patterns and conditions. The current condition of the forest, made up of predominately shade tolerate climax species, is not unlike that which has occurred naturally across West Virginia in the absence of fire. By excluding fire from the ecosystem, shade tolerant species are increasing in their composition." The Company does not generally clearcut harvest, artificially regenerate the forest, use forest chemicals, use biological control agents, use exotic species, prescribe burn or practice other intensive silvicultural methods.

The auditors questioned ISHLM's characterization of the composition of the climax forest in their region, however, and noted that the oak-dominated forests of the company's ownership have resulted more from past land use and do not represent a natural species composition. In particular, the oaks in this forest are not shade tolerant. Likewise, if ISHLM wants to maintain such an oak-dominated forest, they must consider management prescriptions that increase openings in the forest and scarify soils for better germination of oak.

1.4.4 Management Systems

ISHLM has six professionals who handle all aspects of the company's forestry operation, including timberland management. These six employees (President, Forester, Assistant Forester, Log Buyer, Operations Manager and Document Controller) are directly responsible for implementing and achieving the FSC Standard and have been assigned specific roles and responsibilities. One individual is a Licensed Forester.

1.4.5 Monitoring System

The management plan describes the following system for monitoring:

ISHLM has a formal system for annually collecting information about its FSC implementation, evaluating the effectiveness of its FSC Programs, reporting information to management, determining whether any changes or improvements are necessary to continually improve FSC conformance, and communicate those changes to responsible personnel. The Management Review Procedure is outlined in ISHLM-DP-13.

The ISHLM FSC Review Team shall annually conduct a review of the FSC Program. During the first quarter of each calendar year, the President shall develop a Management Review Agenda (ISHLM-DP-14). The management review will be conducted that evaluates FSC performance during the preceding calendar year. At a minimum, the management review shall include:

- Post Harvest Monitoring Reports;
- Review of any Environmental Incidents and corrective action results;
- External audit corrective action results (i.e. third party FSC audits);
- Staff and contracting training accomplishments;
- Suggested changes to policies or procedures.

The President shall ensure that all necessary information to address these issues is collected and available for the management review. The Committee shall also review the Forest Management Guidelines and Policies and assess ISHLM's performance against its own policies, programs, plans, and procedures.

Monitoring of forest resources involves a thorough initial inventory of standing timber prior to purchase of a tract of land, and a repeat inventory before a management action is proposed. Post-harvest monitoring involves a rating system for roads and landings, harvesting operations, and wildlife and HCVPs.

Note that the auditors did not find that the monitoring procedures were as thorough as described above, and corrective actions requests were issued to address these deficiencies.

1.4.6 Estimate of Maximum Sustainable Yield

The management plan describes the process of estimating growth and yield as follows: "ISHLM conducts a long-term resource analysis that guides forest management planning at a level appropriate to the size and scale of its operations. The Operations Manager uses the Forestry Systems database, growth and yield models, and soil productivity information to calculate growth of the forest and project timber yields. The company conducts its own calculations, which are very close to federal and state agency projections of growth and yield. Growth vs. drain information comparing and tracking annual harvest volumes to total annual growth is reported annually. The Company is growing 1% over baseline conditions."

ISHLM conducts forest inventories by tract. On average, hardwood stands are growing at 1.5 to 2.5% above removals. The Forestry Systems database projects growth and yield. Log Master documents the 1% growth over harvest as the baseline. The Forestry Systems

database allows ISHLM to understand how much timber inventory and volume exists on its land base. The Company compares its inventory increase information against published research and reports, including the Forest Service Forest Inventory and Analysis data for the counties in which ISHLM manages controlled lands. The projections of growth and inventory information are generally consistent. The growth of the forest across the company's wood and fiber supply base generally exceeds harvests and mortality, resulting in a positive growth to drain ratio.

During the assessment, auditors concluded that ISHLM has not yet achieved the capabilities to estimate growth and yield as described above. The Forestry System database does not yet incorporate growth models, nor does it factor soil productivity into the calculation of yields. Rather, ISHLM relies almost entirely on a generic growth of 2% annually calculated by USDA Forest Service FIA analyses. In absence of more sophisticated modeling by ISHLM, the FIA estimate for growth is a logical baseline figure. It is not clear how the company calculates the 1% growth figure when currently owned tracts have all been purchased within the decade and repeated inventories have not been done.

1.4.7 Estimated, Current and Projected Production

The annual allowable cut is estimated to be 300,000 board feet. This estimate is based simply upon the estimated standing timber and a 2% estimate of growth (see above). At present ISHLM forest lands are not being harvested. The company operates a large sawmill, and most wood supply comes from harvests procured and managed on other ownerships. Timber volume from company lands is considered as "reserve," to be harvested periodically as market conditions dictate. Thus, there is no expectation of consistent allowable annual harvests. Nevertheless, a sustainable long-term harvest will depend on appropriate projections for average annual harvests.

1.4.8 Chemical Pesticide Use

ISHLM does not use chemicals in any of its silvicultural operations, or in the control of invasive species. The region has a history of gypsy moth infestations, where state and federal agencies have coordinated widespread aerial spraying of the bacterial pesticide Bt, but no synthetic chemicals.

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in West Virginia, the certification evaluation that is the subject of this report was conducted against the duly-endorsed FSC Appalachia Regional Forest Stewardship Standard (Version 4.2, 12/5/05). The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scscertified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The field assessment was conducted on 18-19 November 2009. Preparation for the field audit involved a readiness audit conducted by telephone on 18 September 2009, and a review of documents related to the management plan and management system.

3.2 Assessment Team

A two-person team conducted the assessment. David Capen was the Lead Auditor. The second member of the team was David Lombardo.

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

Dave Lombardo of Dave Lombardo Resource & Forestry Consultant received his B.S. in Natural Resource Management from Syracuse University in 1975 and has been a practicing forester for over 34 years. He has worked in various aspects of forestry in a variety of ecosystems throughout the US, Caribbean, Central & South America and Africa. He has been certified to practice Silviculture by the USDA Forest Service since 1988. He has also taught various forestry related courses for Penn State University for both continuing education and Penn State college curriculum.

3.3 Assessment Process

3.3.1 Itinerary

17 November 2009

7:30pm: Audit team meeting, Hermitage Motel, Bartow, WV

18 November 2009

8:00 am—12:00pm: Opening Meeting, Inter-State Hardwoods Co., Bartow, WV

Attendees: Bryan Vernon, Melissa Riffe, Allen Sisler, Shawn Taylor, Andy Wayne, Chris Wilderotter

Agenda Items: Introductions; review agenda; discuss selected field sites; overview of Inter-

State Hardwoods Co. and its management; legal requirements; stakeholders; personnel; working conditions and benefits; management systems; silviculture; inventories, data systems and calculation of allowable harvest; landscape-level considerations; biodiversity.

1:00pm—5:00pm: Field visits to company lands: Delke Tract, Howe Tract, and H. Arbogast Tract.

19 November 2009

8:15am-1:00pm: Field visits to Swecker Tract and to active logging operation and new road construction on procurement lands.

2:00-4:00pm: Auditors meet for scoring and stakeholder consultation.

4:00pm: Closing meeting.

3.3.2 Evaluation of Management System

The management system of Inter-State Hardwoods Co. was evaluated by meeting in the company office in Bartow, WV, where auditors conducted interviews with all company employees: Bryan Vernon, President; Melissa Riffe, Document Controller; Allen Sisler, Operations Manager; Shawn Taylor, Forester; Andy Wayne, Assistant Forester; and Chris Wilderotter, Log Buyer. While in the company office, numerous records were requested to verify and complement information presented in the company's recently prepared management plan. The evaluation then moved to company lands, where five tracts were visited (see below). Further evaluation of the management system took place through interviews with logging contractors, local business owners, and other stakeholders.

3.3.3 Selection of FMU's, Management Blocks to Evaluate

Lands managed by Inter-State Hardwoods Co. comprise a single FMU, composed of lands in 25 different tracts, spanning six counties in northeastern West Virginia and one county in adjacent Maryland. The properties are not close together. Prior to the assessment, the lead auditor requested from Inter-State Hardwoods Co. a complete listing of all blocks where management activities had occurred in the past three years. During the assessment, however, it became obvious that a random selection of field sites was not feasible, so tracts were chosen to optimize the number that could be visited during the two-day field assessment. One tract inspected in the field is not owned by ISHLM, but the company had purchased timber on the site and one of their experienced logging contractors was working at the time of the audit.

3.3.4 Sites Visited

18 November 2009

Inter-State Hardwoods Co. Office, Bartow, WV

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

Site Visits on Company lands:

19 November 2009

Site Visits on Company lands (Bryan Vernon, Shawn Taylor, Andy Wayne, Allen Sisler, Chris Wilderotter)

Deike Tract. Purchased by ISHLM in 2001; to date there has been no harvesting by the company, but prior owners had logged 20-30 years ago. Boundaries were recently refreshed and all have been surveyed. Roads are gated and fenced. Stocking is moderate but not enough to justify a harvest for 10-20 years. Former skid road too close to perennial stream and would be a violation of BMPs, but this was acknowledged by ISHLM foresters.

Howe Tract—Purchased by ISHLM in 1997; harvests conducted in 2001 and again in 2007, but largely in different areas. Both harvests were diameter-limit cuts with some cutting of undesirable species (beech and birch). Resulting stand is even-aged with a predominance of 12-14-inch stems, mostly red oak. Regeneration is mixed; not much oak, stand may be trending toward cherry and red maple.

Arbogast Tract. 56-acre tract purchased by ISHLM in 2003. Parts of this tract are prohibitively steep with significant patches of mountain laurel in the understory. The majority of the tract contains mature hardwoods, however, and may be scheduled for harvest any time. Recent work was done on a major harvest road and a landing, both of which have been successfully seeded.

20 November 2009

Site Visits (cont'd) (Bryan Vernon, Shawn Taylor, Andy Wayne, Allen Sisler)

Swecker Tract. Purchased by ISHLM in 2002; since purchase, harvests have been conducted in 2004 and 2009 on different portions of the tract. Boundary is clearly marked; property is posted; and a new gate has been installed, replacing one that was damaged by trespassers. Like most of the landscape, the property is steep, but haul roads and skid trails were well constructed and closed out in an exemplary manner. There is now a ford across a stream, but during logging a series of large culverts was placed in the stream side-by-side and limestone was spread over the culverts to support truck traffic, but not skidding. Afterward, culverts were removed (limestone was left, as prescribed by WV Division of Forestry, to buffer pH in the stream. All trails have been successfully seeded and fertilized. Waterbars

were installed correctly and have been effective throughout a summer of heavy rain. Logging was accomplished without discernable residual damage to standing trees. A number of dead trees were left standing, but others had been marked to cut. Tops and limbs from harvested trees were left on the ground. The resulting stand is well stocked, but mostly with 12-14-inch stems after the harvest removed most of the larger trees. Regeneration should be assessed; this stand, like those on other sites, is approaching an even-aged structure as a result of harvesting.

Law Property. *This site was visited because ISHLM purchased timber and one of their long-standing contractors, Walter Stark (S&S Logging), was on site, as was his son, Phillip. Coincidentally, we also encountered John Mowrey, a WV Division of Forestry forester, who was inspecting the logging job for compliance with BMP regulations. Both Starks are Certified Loggers, as are three more workers on his crew (5 of 7 total). The crew was not working because of rain. Mowrey was happy with road construction and efforts to prevent erosion, as was the audit team. The crew makes temporary waterbars as they work and now are beginning to close out some skid trail with permanent waterbars. ISHLM will seed the trails, but not until spring 2010. Despite steep slopes, the logging operation was not leaving significant damage in the residual stand.*

3.3.5 Stakeholder Consultation

Pursuant to SCS protocols, consultations with key stakeholders were an integral component of the evaluation process. Consultation took place prior to, concurrent with, and following the field evaluation. The following were distinct purposes to the consultations: (1) to solicit input from affected parties as to the strengths and weaknesses of Inter-State Hardwoods Co.'s management, relative to the standard, and the nature of the interaction between the company and the surrounding communities; and (2) to solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

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

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

Stakeholders were contacted with a notification mailing soliciting comment and/or phone contact. Comments were received via personal interviews, phone interviews (“Interview”), and through written responses. Individuals or groups not offering feedback are labeled “no response” (“NR”). Additional comments may have been received from individuals not wishing to reveal their identities.

Name	Affiliation	Consultation
John Mowrey	WV Division of Forestry	Interview
Walter Starks	Logging Contractor	Interview
Phillip Starks	Logger	Interview
Renee Wagner	Business person, Bartow WV	Interview
Anonymous worker	Inter-State Hardwood Mill	Interview
Anthony Kesterson	WV Division of Forestry	Interview
Rich Depp	Forecon, Inc. (Forest mgmt. consult.)	Interview
Barbara Sargent	WV DNR Natural Heritage	Email
Josh Simons	WV Division of Forestry	Email
Mayford Lake	WV Division of Forestry	Interview
Susan Pierce	WV State Historic Preservation Officer	Email
Keith Fisher	The Nature Conservancy—WV	Phone/email: NR
Craig Stihler	WV DNR Endangered Species	Phone/email: NR

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

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

Economic Concerns

Comment/Concern	Response
• “We couldn’t do without ISHLM in this town.”	Comment noted
• “There are many new faces at ISHLM; it is a well-run company and important to this region. “	Comment noted

Social Concerns

Comment/Concern	Response
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<ul style="list-style-type: none"> • ISHLM is one of the most stable employers in the area and is very important to the local economy. They treat employees well. 	Comment noted
<ul style="list-style-type: none"> • ISHLM plays an important role in the economy and social life of this town. 	Comment noted
<ul style="list-style-type: none"> • “I’ve worked at the ISH mill for more than 30 years; management treats us very well.” 	Comment noted
<ul style="list-style-type: none"> • ISHLM cares about public perceptions; it is good business for them to conduct careful logging operations. 	Comment noted
<ul style="list-style-type: none"> • ISHLM foresters are very good about communicating with state officials and adjacent property owners. The company is always cooperative. 	Comment noted

Environmental Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> • ISHLM takes better care of skid roads and trails than any other forest management entity in the area. 	Comment noted
<ul style="list-style-type: none"> • ISHLM is very concerned about the appearance of a logging site after it is closed out. 	Comment noted
<ul style="list-style-type: none"> • ISHLM almost always goes beyond what is required when they close out a job. They are quite concerned about the appearance of a site after logging and sensitive to what the public thinks. 	Comment noted
<ul style="list-style-type: none"> • Almost certainly, there will be some sites where rare species will be found on ISHLM lands...and sites of cultural significance as well. 	See Major CAR 2009.4
<ul style="list-style-type: none"> • Although there may be no records of rare species on ISHLM lands, this may well be because surveys have not been done. But, there likely are elements of high conservation forest that could be predicted from natural heritage data. 	See Major CAR 2009.4

3.4 Total Time Spent on audit

The lead auditor spent 1 day in preparation for the assessment, including efforts to contact stakeholders, and 2 days conducting the field and office audit. This was in addition to 2 days spent conducting a scoping audit in September 2009. The second auditor spent 0.5 days preparing for the audit, and 2 days conducting the field and office audit. Thus, a total of 8.0 person days were allocated by the audit team to the assessment of Inter-State Hardwoods Co.

3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy: Principle, then Criteria that make up that principle, then Indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-

conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgement to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

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

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

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

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

Recommendations: These are suggestions that the audit team concludes would help the company move even farther towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

4.0 RESULTS OF THE EVALUATION

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (CAR) numbers related to each principle.

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

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ ISHLM is aware of relevant laws, both state and federal and is compliance. ▪ Lands in the management unit are owned, fee simple, and taxes are paid. ▪ The company has a policy of complying with treaties with American Indians, although none apply at this time. ▪ The Company Handbook requires compliance with labor and safety practices. ▪ Appropriate measures are taken to prevent unauthorized activities on company lands. 	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Property boundaries are clearly marked and maintained; gates are present at access points; posting is maintained where needed. ▪ Hunting and other trespass is allowed by permission only, consistent with laws and traditions in the area. ▪ Appropriate policies are in place for resolving disputes relating to tenure claims. 	<ul style="list-style-type: none"> ▪ State officials contacted as stakeholders suggest that more consultation on possible sites of cultural significance might be needed, given the history of the region for indigenous peoples. 	<ul style="list-style-type: none"> ▪ CAR 2009.1
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ After detailed research, the company has concluded that there are no tribal representatives to contact. 	<ul style="list-style-type: none"> ▪ State officials contacted as stakeholders suggest that more consultation on possible sites of cultural significance might be needed, given the history of the region for indigenous peoples. 	<ul style="list-style-type: none"> • CAR 2009.1

P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ Inter-State Hardwoods is the largest employer in the immediate area, hires almost entirely local employees, and makes numerous other contributions to the economy of the area. ▪ Company employees participate in local economic and educational efforts. ▪ Laws and regulations related to health and safety are complied with. ▪ Safety training is required of employees and contractors. Accident records are excellent. ▪ Company foresters deal effectively with adjacent property owners. 	<ul style="list-style-type: none"> ▪ ISHLM needs to conduct more thorough consultations to identify sites of cultural significance. 	<ul style="list-style-type: none"> • CAR 2009.1
P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ The management plan and management actions in the forest recognize the importance of protecting watershed and biological features of rivers and streams. ▪ The rate of harvest of forest products is less than growth, but long-term harvest modeling is still evolving. ▪ Waste during harvesting is avoided and damage to residual stands is minimized and closely monitored. ▪ Use of forest products is very efficient and almost entirely in the local area. 	<ul style="list-style-type: none"> ▪ ISHLM was encouraged to investigate the impact of epicormic branching resulting from canopy openings after harvest. ▪ The company has not done the analysis that supports a desired age-class distribution as part of the management planning process. 	<ul style="list-style-type: none"> ▪ REC 2009.1 ▪ CAR 2009.2

<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> ▪ Company foresters are familiar with invasive species and prepared to implement control efforts if necessary. ▪ It is company policy to modify management prescriptions to safeguard known locations of rare species and communities. ▪ ISHLM conducts harvests such that an ample—or more than ample-- basal area of residual trees is left on site; clear-cutting is not used (although patch cuts might improve diversity); harvesting techniques are such that tops and limbs are left on site. Soil disturbance is kept to a minimum during harvesting. ▪ All regeneration is natural; no planting is done; no exotic species are used; no chemicals are used; and no genetically modified organisms. ▪ Written guidelines and strict state standards are in place to protect soil and water. ISHLM routinely exceeds performance levels on these standards. ▪ Roads, landings, and skid trails are well laid-out, protected with waterbars, and seeded when closed. Gates usually prevent unauthorized entry and damage. 	<ul style="list-style-type: none"> ▪ The management plan and tract files do not contain sufficient information for pre-harvest assessments. More thorough assessments are needed prior to management activities. ▪ Stocking guidelines need to be developed for long-term management. ▪ ISHLM foresters are not sufficiently aware of the likely occurrence of rare species and communities and need to pursue more consultation with appropriate state officials. ▪ Until targets are established in the management plan for species and age distributions, the company cannot achieve the objective of maintaining or restoring natural conditions in the forest. ▪ More emphasis needs to be placed on the importance of regeneration in prescribing silvicultural treatments. ▪ ISHLM foresters are not sufficiently familiar with forest communities that have been conserved in the region to determine if there are examples on company land of representative ecosystems in need of protection. ▪ Written silvicultural prescriptions are not part of harvest plans. 	<ul style="list-style-type: none"> ▪ Major CAR 2009.3 ▪ Major CAR 2009.4 ▪ CAR 2009.5 ▪ CAR 2009.6 ▪ Major CAR 2009.7 ▪ REC 2009.3
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P7: Management Plan	<ul style="list-style-type: none"> ▪ The management plan consists of an overview document, which is well organized along the line of FSC standards. In addition, there are tract files that contain information and data on particular tracts of land, including maps. ▪ The management plan contains a section that describes the monitoring program. ▪ A public summary of the management plan is available. 	<ul style="list-style-type: none"> ▪ The management plan does not contain an explicit statement of goals and objectives. ▪ Tract files do not contain the expected details that would be used in a pre-assessment prior to harvest, nor do they contain silvicultural prescriptions. ▪ A more detailed description of the social and economic setting of ISHLM's properties is needed in the plan. ▪ Tract files should contain more specific information on protection for rare species and communities, if appropriate, after further consultation to identify such elements. ▪ Some specific continuing education recommendations are made to improve the capability of forest management staff to implement the plan. 	<ul style="list-style-type: none"> ▪ Major CAR 2009.3 ▪ Major CAR 2009.4 ▪ CAR 2009.2 ▪ CAR 2009.8 ▪ CAR 2009.9 ▪ CAR 2009.10 ▪ CAR 2009.11 ▪ REC 2009.2
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ ISHLM has a formal Management Review procedure outlined as part of its monitoring program. ▪ For the most part, the monitoring program is appropriate for the size of the management operation. ▪ Harvest volumes and yields are closely monitored. ▪ Post-harvest monitoring is in place, supplemented by a similar program required by state law and conducted by DOF foresters. 	<ul style="list-style-type: none"> ▪ There is no monitoring of regeneration, an element that should become more prevalent in making silvicultural decisions. 	<ul style="list-style-type: none"> ▪ CAR 2009.11
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ ISHLM has done an extremely superficial consultation to assess the required elements of High Conservation Value forests. Additional consultation is needed. 	<ul style="list-style-type: none"> • Major CAR 2009.4

4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation is certified. Certification cannot be awarded if open preconditions exist. The following preconditions were placed on Inter-State Hardwoods, Co., Inc. following the initial assessment in November 2009.

Non-conformance: Evidence was not provided to demonstrate that the content of pre-harvest assessments addressed the required elements. ISHLM policy is to conduct a pre-harvest assessment (ISHLM-DP-10), which addresses indicators 6.1.a-e, and others. The scope of the assessment is quite comprehensive, as outlined in the policy document, but the actual assessment process does not result in evidence found in tract files, harvest contracts, or other parts of the management plan. Although information is available in company offices, it is not obvious that the resources are consulted before harvest operations are conducted.	
Major CAR 2009.3	ISHLM foresters must develop an outline for pre-harvest assessments that will be completed and available in tract files prior to the commencement of management activities. In addition to the outline, one example of such an assessment must be completed.
Deadline	Prior to certification
Reference	Criteria 6.1, 7.1.b
<p>Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, (2) Natural Heritage—Howes , (3) Howe’s Cruise, (4) Howe’s Silviculture Plan, and (5) Copies of agendas for two training classes. On 13 January 2010, an additional item was submitted: (6) WV Wildlife Resources letter. The auditors’ assessment of these documents, with respect to the CAR, is as follows:</p> <ol style="list-style-type: none"> (1) The pre-harvest plan is for a 50-acre harvest on the Howe tract. It is mostly a boilerplate document with blanks filled in relative to a planned harvest; it addresses the following items: harvest specifications; access and specs for haul roads, skid trails, and landings; checklist for pre-harvest conference with logger; map of the property; and sign-off sheet for state permit. (2) A message from Barbara Sargent, WVDNR Wildlife Resources, indicating that a search of the Natural Heritage database revealed no occurrences of rare, threatened, or endangered species on or adjacent to the Howe property. (3) The summary of the cruise of the Howe Tract in 2001 provides MBF figures for merchantable species. (4) This is a new document, prepared in response to the CAR. The document describes the location of the parcel; a short description of stand (all one stand?) conditions; and species composition (or merchantable trees); a copy of a USDA Forest Service stocking table and a stated BA of 31 for the parcel, leading to the conclusion of an understocked stand; a summary table describing slope, elevation, growing conditions, soil types, stand age, and volume; information on boundaries, surveys, and access; stated objective for management of the tract; harvest recommendations and standards for harvest; dbh for two size classes (12-14in. and 16+ in.); soil maps and descriptions of soil types (photocopies from country soil surveys); and topographic maps of parcel and surrounding landscape. (5) Registration forms for attendance at two upcoming workshops, one on BMPs in West Virginia and another on forest productivity in Virginia. (6) Letter from Barbara Sargent, WV DNR Wildlife Diversity Program indicating that a search of the Natural Heritage database did not find known occurrences of RTE species on any of the ISHLM properties in West Virginia. However, the letter did list at least six species, both federally and state 	

listed that might be expected to occur on ISHLM properties because of known locations nearby.

Considerable progress has been made toward closing this CAR. However, the standard (6.1b) clearly specifies that current conditions need to be discussed in the context of historical conditions in landscape context. Past land use of the forested tract is not mentioned in any of the assessment documents. Also, as specified in 6.1.a., water resources must be considered as part of the environmental assessment. This is particularly relevant for many of ISHLM's holding. In addition, pre-harvest assessments on tracts mentioned in document (6) will be expected to address measures taken to conserve habitat for listed species. The company tract in Maryland also needs to be addressed. Further comments on document (4) may be found in the assessment of CAR 2009.10.

On 2 March 2010, ISHLM submitted a revised pre-harvest plan for the Howes Tract, Howes North sale. This plan was completed in a format that will be used for other sales and thus represents both elements required to address this CAR, an outline and one completed pre-harvest assessment. Both are acceptable, although it should be noted that Item 6, Historical Conditions, is only marginally acceptable. A more complete presentation of historical conditions on the site will be expected in other assessments.

On 25 March, ISHLM submitted a copy of a letter from the Maryland Historical Trust indicating that there are no historic properties on the company's ownership in Maryland. The auditor understands that a similar request is pending with the Maryland Natural Heritage Program.

These steps satisfy the corrective actions agreed upon.

Status	CAR Closed, 16 April 2010.
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Non-conformance: ISHLM has not conducted an adequate search for information on imperiled, threatened or endangered species or plant communities. ISHLM reports that they have consulted with the West Virginia Division of Forestry regarding the occurrence of rare species and communities and potential HCV sites, and that none exists on their lands. This is not an appropriate level of consultation, especially since the conclusion could be based on lack of knowledge. DOF is primarily responsible for inspecting logging operations for compliance with state harvesting laws, and elements that define HCF sites are not an expected area of expertise for these individuals. This was confirmed through a stakeholder contact with a DOF forester, who said "I would think that almost certainly there would be some rare species deserving of protection found on ISHLM lands."

The first stop for appropriate consultations should be the West Virginia and Maryland Natural Heritage Programs. A stakeholder interview with a representative of the WV Natural Heritage Program confirmed that this office will provide advice by examining spatial databases of rare species and communities to determine if there are known locations on ISHLM tracts, and also provide advice on species that might be expected to be on those tracts (because actual on-ground surveys have not been conducted on company ownership).

Major CAR 2009.4	ISH forest management staff shall take additional measures to become familiar with likely occurrences of listed rare, threatened, and endangered species and natural communities in the ecoregions where their properties occur, and especially on lands that the company manages. This will require consultation with the Natural Heritage Programs of West Virginia and Maryland, and a focus on individual tracts and adjacent ownerships. After appropriate consultation, results shall be incorporated into pre-harvest assessments and included in a reconsideration of High Conservation Value Forests.
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Deadline	Prior to certification
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Reference	Criteria 6.2, 9.1, 9.2, and 7.1.g.1
<p>Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, (2) Natural Heritage--Howes, (3) Howe's Cruise, (4) Howe's Silviculture Plan, (5) Copies of agendas for two training classes, and (6) Letter from Barbara Sargent, WV DNR Wildlife Diversity Program. See CAR 2009.3 for descriptions of the content of these documents. The auditors' assessment of these documents, with respect to the CAR, is as follows:</p> <p>Most of the documents referenced here are not relevant to the particular components of Criterion 6.1 pertaining to rare, threatened, endangered species and communities, nor to the analysis should be done to address Criteria 9.1 and 9.2. Documents (2) and (6) are relevant, however, and represent a proper consultation with West Virginia Wildlife Resources personnel concerning the Howe parcel and surrounding areas. There still is no evidence of such consultation with Maryland officials. This straightforward consultation with state heritage personnel is only a small piece of a more comprehensive analysis to satisfy the intent of Criteria 9.1 and 9.2. ISHLM personnel should consult the HCVF toolkit for guidance (http://www.proforest.net/objects/publications/HCVF/hcvf-toolkit-part-1-final-updated.pdf.) and be especially aware of categories HCV2 and HCV4.</p> <p>On 22 April, ISHLM submitted five documents relevant to this request: (1) a letter from Lori Byrne, Maryland DNR, listing several rare, threatened, and endangered species occurring in the vicinity of ISHLM's ownership in Maryland; (2) a forest management plan for the Swecker tract; (3,4) revised pre- and post-harvest checklists for the Swecker tract; and (5) a letter from Andy Kesterson, Forester, W.V DOF, clarifying his comments in a stakeholder interview (referenced above).</p> <p>ISHLM has made significant progress toward satisfying the conditions of the CAR. However, they continue to place too much significance on addressing only known information for the occurrence of rare species on company lands, including assessments by company foresters and logging contractors. Such assessments, by individuals who are not trained in identifying many of these species, are inadequate in most instances. As emphasized in letters from Natural Heritage Programs in both West Virginia and Maryland, and in the comments by Forester Kesterson, it is the likelihood of habitat suitable for rare species that should be the emphasis of the company's forest management plans. This will be a focus of future audits.</p>	
Status	CAR closed.

<p>Non-conformance: ISHLM has not conducted an appropriate assessment of protected areas in the landscapes surrounding their holdings, thus they have inadequate information for assessing the importance of ecosystems occurring on their own lands. ISHLM manages a relatively small amount of land, which is part of a matrix of state and federal forestland (>1 million acres of national forest). The company policy clearly identifies conservation of old-growth forests as a priority, but there are no identified examples on company lands where such stands have been identified and protected, if indeed they exist. Company foresters are not familiar with the array of protected areas in the regions, and thus it is not possible to determine if they should search for complementary areas on company lands.</p>	
Major CAR 2009.7	An assessment of protected samples of existing ecosystems within the landscape where ISHLM tracts occur shall be completed. The process must include consultations with managers of public and private conservation lands in the region to identify any gaps in the network of protected ecosystems that might be addressed by ISHLM properties.
Deadline	Prior to certification

Reference	Criterion 6.4
<p>Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) HCVF—Howes, (2) Management Plan Kumbrabrow SF, (3) Guidelines for Managing West Virginia’s Nine State Forests, (4) Howe’s Silviculture Plan, and (5) A published paper entitled “Temporal Patterns of Woody Species Diversity in a Central Appalachian Forest from 1856 to 1997.” The auditors’ assessment of these documents, with respect to the CAR, is as follows:</p> <ol style="list-style-type: none"> (1) This document is a short form completed by the ISHLM forester and simply indicating if HCVF was or was not located on this tract. It illustrates a very incomplete understanding of HCVF in the context of FSC. Refer to the toolkit referenced in CAR 2009.4. (2) This 35-page document is reasonably comprehensive management plan for a nearby state forest, and should provide some guidance for improving aspects of the ISHLM plan. The relevance for this CAR, however, is not altogether clear (and it is not appropriate that an auditor had to review the entire document looking for material relevant to the CAR). How have the managers of ISHLM used this plan to address Criterion 6.4? (3) This is a 40-page document, and like the one above, it was reviewed in detail by the lead auditor in an attempt to determine its relevance to this CAR. It seems clear from the two documents that state forests in West Virginia have no mandate to protect samples of existing ecosystems, so neither of these documents lists such protected areas. (4) This document also is not relevant to this CAR. (5) Although this manuscript reports on an interesting study of changes in forest species composition over a period of 140 years, it is not clear why this document was provided as evidence that ISHLM has addressed this CAR. The mere possession of a manuscript does not constitute such evidence; it needs to be one of many elements in an appropriate analysis that relates to the standard: understanding the network of protected ecosystems that occur in the region of ISHLM ownership and identification of gaps in that system that might be fulfilled on ISHLM properties. <p>The auditors are concerned that the ISHLM staff does not understand the intent of this criterion. Gathering management plans for state forests was a logical step. As suggested during the field audit, the Monongahela National Forest Plan would be a more logical place to go, as would The Nature Conservancy, an organization that has conducted ecoregional plans that identify important ecosystems for protection.</p> <p>On 10 June 2010, ISHLM submitted additional documents relating to this request: a letter from Barbara Sargent, West Virginia Natural Heritage Program, and a memo from Deborah Lindaugh, Maryland/D.C. Chapter of The Nature Conservancy. The Sargent letter identified wetlands on several of the ISHLM properties, but no other protected ecosystems; the Lindaugh letter indicated that no preserved owned by the Nature Conservancy are in close proximity to ISHLM lands (in Maryland, presumably, but so stated in the letter). The 10 June communication also directed the auditors to several documents submitted earlier in support of this request: (1) pages 14, 15, 18, and 19 of the ISHLM plan, DP-02; (2) previously submitted letters from the WV and MD Natural Heritage Programs; (3) letters from County Foresters; (4) the Swecker Silviculture Plan; and revised Pre- and Post-Harvest Plans submitted in response to CAR 2009.4.</p> <p>The consultation that ISHLM has undertaken with appropriate agencies and conservation organizations reveals no concern by these parties for landscape features or natural communities in the region, other than small wetlands. Auditors are satisfied that ISHLM is not in a position to reserve lands to complement existing protected areas or new sites that should be protected to conform with Criterion 6.4.</p>	

Status	CAR closed.
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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 has recommended that the Inter-State Hardwoods Co. be awarded FSC certification as a “Well-Managed Forest” subject to the major corrective action requests stated in Section 4.2. Inter-State Hardwoods Co. has demonstrated that their system of management is capable of ensuring that all of the requirements of the Appalachian Regional Standard are met over the forest area covered by the scope of the certificate.

5.2 Initial Corrective Action Requests

Non-conformance: ISHLM has not satisfied Indicator 3.3.b “Forest owners or managers develop measures to protect or enhance areas of special significance....” The company management plan states that there are no known sites of cultural significance on ISHLM lands. However, stakeholders in both the WV State Historic Preservation Office and Division of Forestry suggested that the region where ISHLM’s lands occur was rich in Indian tradition and that special sites may be more common than research by ISHLM has shown. The company provided little evidence that a thorough investigation has been done for current ownerships.	
CAR 2009.1	ISHLM shall conduct a more thorough consultation, with appropriate agencies and experts in both West Virginia and Maryland, relating to likely sites of cultural significance on company lands. Details of the consultations shall be submitted, and appropriate data shall be incorporated into tract files and pre-harvest assessments (See Major CAR 2009.3).
Deadline	By the first annual audit, or sooner for individual tracts if management actions are proposed.
Reference	Indicators 2.2.b , 3.3.b, and 4.4.e
Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, (2) Maryland BMPs, and (3) Indigenous People. The Auditors’ assessment of these documents, with respect to the CAR, is as follows: (1) We see no indication that the Pre-harvest Plan addresses this CAR. (2) Likewise, the document that describes Maryland BMPs addresses only forest harvesting with regard to water and soil. (3) This document is a 29-page essay and miscellaneous information on the Mingo Indians. It’s only contribution to this CAR is to further emphasize the importance of conducting appropriate consultation—in both states—as described in the language of the CAR.	
Status	CAR remains open.

Non-conformance: Related to the sustainability of harvest levels, ISHLM foresters have not conducted analyses that show desired levels of age-class and species distributions as part of allowable harvest calculations or desired future conditions. Details of the rationale for the rate of annual harvest and species selection are lacking in portions of the management plan.	
CAR 2009.2	ISHLM shall continue to develop the growth and yield modeling described in their management plan to produce desired levels of age-class and species distributions commensurate with sustainable harvest levels. ISHLM shall include the rationale for the rate of annual harvest and species selection in the management plan.
Deadline	By the first annual audit
Reference	Indicators 5.6.b, 5.6.d., and 7.1.d.
Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, (2) Howe's Silviculture Plan, and (3) WV Timber Operations Form. On 18 January 2010, a fourth document was submitted: (4) example of print-out from update to the software for processing timber cruise information. See CAR 2009.3 for a description of documents (1) and (2). The auditors' assessment of these documents, with respect to the CAR, is as follows: Document (3) has no relevance to this CAR. Document (4) is relevant and shows that the software now displays BA calculations for diameter-class tallies (although the numbers for BA are curious). Although these submissions confirm progress, the indicator has not yet been fully addressed.	
Status	CAR remains open.

Non-conformance: It is the objective of the company to maintain the forest in a natural condition, but they have not yet analyzed an age-class distribution for their lands and projected a desired future condition that would represent what is expected to be found in a natural forest.	
CAR 2009.5	See CAR 2009.2. As progress is made in assessing age- and species distributions, ISHLM shall conduct research into the compositions of the natural forest that they intend to mimic, so that the stated objective is measurable
Deadline	By the first annual audit
Reference	Indicator 6.3.a.2
Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Howe's Silviculture, (2) Plan Pre-harvest--Howes, (3) WV and MD BMPs, (4), Copies of agendas for three training classes, (5) WV Timber Operations Form . The Auditors' assessment of these documents, with respect to the CAR, is as follows: The documents submitted by ISHLM and reviewed by auditors do not address the CAR as written.	
Status	CAR remains open.

Non-conformance: The standard states that techniques used for regeneration are justified for each harvest unit and/or stand, yet ISHLM takes a laissez-fair approach to regeneration, seemingly willing to accept whatever populates the understory, although the management plan states that they promote shade-tolerant species. Harvest prescriptions make no mention of regeneration techniques or challenges.	
CAR 2009.6	ISHLM shall demonstrate that considerations for desired regeneration shall be incorporated into management prescriptions (and monitored in future management planning—See CAR 2009.10). ISHLM shall seek, if appropriate, opportunities for

	specific training in regeneration of selected species (See Recommendation 2009.3).
Deadline	By the first annual audit or sooner for individual tracts if management actions are proposed.
Reference	Indicator 6.3.a.5
<p>Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Howe’s Silviculture, (2) Plan Pre-harvest--Howes, (3) WV and MD BMPs, (4), Copies of agendas for three training classes, (5) WV Timber Operations Form . The auditors’ assessment of these documents, with respect to the CAR, is as follows:</p> <p>Documents (1) and (4) are relevant. The silviculture plan for the Howe property makes only scant mention of regeneration, stating that “...residual volume ...heavy enough to encourage proper regeneration. The agenda for one upcoming training course indicates some relevant content on management planning, which should include content on regeneration. Very little progress on this CAR has been demonstrated, however. Much more effort is needed to sample regeneration and design harvests appropriate for conditions in each stand.</p>	
Status	CAR remains open.

Non-conformance: The written management plan does not include specific, achievable short-term and long-term vision, goals, and objectives.	
CAR 2009.8	ISHLM shall revise the management plan to include goals and objectives consistent with the standard.
Deadline	By the first annual audit.
Reference	Indicator 7.1.a.1
<p>Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Howe’s Silviculture (2) WV and MD BMPs and (3) Copies of agendas for training classes. The auditors’ assessment of these documents, with respect to the CAR, is as follows:</p> <p>It is not at all clear why ISHLM submitted documents (2) and (3) to address a CAR that states simply that the company’s management plan needs to be revised to include a statement of goals and objectives. Document (1) does contain a generic objective and a statement specific to the Howe Tract: “Inter-State Hardwoods Co., Inc. is interested in managing its timberland to its maximum capacity for growing quality sawtimber size logs, while maintaining the woodland, water quality, scenic and aesthetic purposes, and protection against fire, insect and disease threats. <i>Our goal for this tract is to grow higher quality oaks, maples, and cherries.</i>”</p> <p>The auditors do not find that this short statement addresses the intent of the standard; see Indicator 7.1.a.1.</p>	
Status	CAR remains open.

Non-conformance: The written management plan does not include descriptions of relevant cultural and socioeconomic issues, current conditions, and areas of special significance.	
CAR 2009.9	ISHLM shall revise the management plan to include (1) current economic and social conditions of the regions where lands are owned; and (2) relevant cultural history and areas of significance. Item (1) shall be part of the main document of the management plan; (2) can be added to tract files and pre-harvest assessments as the consultations are completed (See CAR 2009.1).
Deadline	By the first annual audit.
Reference	Indicator 7.1.b.4

Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. The company referenced all documents submitted, a total of 12. To the best of our (auditors) knowledge, all have been reviewed and considered for any relevance to this CAR. However, the CAR clearly specifies two revisions necessary to bring the management plan into conformance with Indicator 7.1.b.4. We find no evidence that (1) has been addressed. Element (2) relates to CAR 2009.1 and needs to be addressed along with that CAR.	
Status	CAR remains open.

Non-conformance: The written management plan does not include adequate discussions of silvicultural systems and prescriptions that are based on the integration of ecological and economic characteristics.	
CAR 2009.10	ISHLM shall revise the management plan, with most emphasis on the tract files, to include more detailed descriptions of silvicultural systems and prescriptions.
Deadline	By the first annual audit or sooner for individual tracts if management actions are proposed.
Reference	Indicator 7.1.c

Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted three documents intended to address this request. These included (1) Pre-harvest--Howes (2) Howe's Silviculture Plan, and (3) Timber Operations Form. The auditors' assessment of these documents, with respect to the CAR, is as follows: <ul style="list-style-type: none"> (1) The pre-harvest plan is for a 50-acre harvest on the Howe tract. It is mostly a boilerplate document with blanks filled in relative to a planned harvest; it addresses the following items: harvest specifications; access and specs for haul roads, skid trails, and landings; checklist for pre-harvest conference with logger; map of the property; and sign-off sheet for state permit. (2) This is a new document, prepared in response to the CAR. The document describes the location of the parcel; a short description of stand (all one stand?) conditions; and species composition (of merchantable trees); a copy of a USDA Forest Service stocking table and a stated BA of 31 for the parcel, leading to the conclusion of an understocked stand; a summary table describing slope, elevation, growing conditions, soil types, stand age, and volume; information on boundaries, surveys, and access; stated objective for management of the tract; harvest recommendations and standards for harvest; dbh for two size classes (12-14 in. and 16+ in.); soil maps and descriptions of soil types (photocopies from country soil surveys); and topographic maps of parcel and surrounding landscape. (3) A notification form related to compliance with regulations of the West Virginia Division of Forestry relating mostly to BMPs. <p>Documents submitted represent a modest achievement toward satisfying the intent of the CAR. One of the central concerns developed during the field audit was that harvest prescriptions were based almost entirely on standing volume of timber and not on silvicultural principles, which should relate as much to future generations of trees as to the current crop trees. A basic problem with document (2) is that the cruising data are collected only for trees >12 in dbh, thus there is virtually no information on the future stand (i.e., smaller size classes). This limitation has led to a misleading (and incorrect) expression of BA for the forest and the subsequent mis-interpretation of the stocking table. (Note: the stocking table is only a small part of a silvicultural guide for the forest type; the entire guide needs to be studied and understood.)</p>	
Status	CAR remains open.

Non-conformance: The monitoring protocol of ISHLM does not include a plan for assessment of regeneration, either before management actions or at intervals after timber harvest.	
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CAR 2009.11	ISHLM shall revise its monitoring protocols to include assessments of regeneration, both pre-harvest and at an appropriate time(s) following harvest to measure success of silvicultural prescriptions.
Deadline	By the first annual audit.
Reference	Indicators 8.2.b.2 and 7.1.e.1
Action Taken by Certificate Holder/Auditor Comments: On 8 January 2010, ISHLM submitted several documents intended to address this request. These included (1) Pre-harvest--Howes, and (2) Howe's Silviculture Plan. The auditors' assessment of these documents, with respect to the CAR, is as follows: Document (1) contains no information on regeneration. Document (2) has a single statement, "Regeneration has been established with young oak, cherry and maple saplings growing." The CAR addresses monitoring protocols; documents submitted do not appear to pertain to monitoring protocols at all.	
Status	CAR remains open.

5.3 Recommendations

Background/Justification: In general ISHLM shows careful concern for protecting the integrity of harvested stands. However, observations were made of a significant amount of epicormic branch of oaks following removal of overstory and exposure to sunlight.	
RECOMMENDATION 2009.1	SIHLM should review literature on epicormic branching and silvicultural considerations recommended to avoid excessive amounts of such branching. If appropriate, revised silvicultural prescriptions in tract files should reflect the findings of this research.
Deadline	Will be assessed during first annual audit.
Reference	Indicator 5.3.b

Background/Justification: In the management plan, goals and objectives for monitoring are implied, but a more explicit statement(s) would be appropriate.	
RECOMMENDATION 2009.2	A more explicit statement of the goals and objectives for monitoring should be in a revised management plan.
Deadline	Will be assessed during first annual audit.
Reference	Indicator 7.1.e

Background/Justification: The auditors felt that the forest management staff of ISHLM may not be appropriately familiar with benefits of some of the more commonly used silvicultural techniques for the forest types being managed, and that some refresher training would be appropriate.	
RECOMMENDATION 2009.3	ISHLM should compile a plan for training and continuing education for selected aspects of management plan implementation, especially silvicultural options and monitoring.
Deadline	Will be assessed during first annual audit.
Reference	Criteria 7.3, 6.3.a.8

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 Inter-State Hardwoods Co. to the Appalachian Regional Standard or any new standard that may replace the current Appalachian Regional Standard. Public summaries of surveillance evaluations will be posted separately on the SCS website (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, 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, USA 94608
Email: rhrubes@scs-certified.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.

