

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

Mid-Atlantic Timberland Group

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00109G**

Submitted to:

**Red Rock Enterprises, LLC
Friendsville, Maryland, USA
for management of the
Mid-Atlantic Timberland Group**

Lead Author:

Michael Thompson

Date of Field Audit:

May 8-10, 2008

Date of Report:

June 12, 2008

(Updated June, 2009, See section 6.1)

Certified: 7/24/2008

By:

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Organization of the Report

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

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Red Rock Enterprises, LLC, to conduct a certification evaluation of its Mid-Atlantic Timberland Group forest estate. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In May 2008, an auditor with interdisciplinary natural resource skills and experience was empanelled by SCS to conduct the evaluation. The auditor collected and analyzed written materials, conducted interviews and completed a 3-day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the auditor determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Red Rock Enterprises, LLC, for the management of its Mid-Atlantic Timberland Group forest estate. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com).

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SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Red Rock Enterprises, LLC, for Mid-Atlantic Timberland Group
Contact person	Phil Frantz
Address	9659 Friendsville Road, Friendsville, MD 21531 USA
Telephone	301-746-5515
Fax	301-746-5268
E-mail	phil@forestindustry.com
Certificate Number	SCS-FM/COC-00109G
Certificate/Expiration Date	June 24, 2008 – June 24, 2013
Certificate Type	Group
SLIMF	Some parcels qualify as SLIMF, but audit conducted to full standard
Group Members	7
Number of FMU's	51
Number of FMUs in scope that are	
less than 100 ha in area	30
100 - 1000 ha in area	19
1000 - 10 000 ha in area	2
more than 10 000 ha in area	0
Location of certified forest area (office)	
Latitude	39 ° 39' 27.53" N
Longitude	79 ° 26' 38.05" W
Forest zone	Temperate Broad-leafed and Mixed Forests
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	3,122 ac (1,264 ha)
are between 100 ha and 1000 ha in area	11,112 ac (4,497 ha)
are more than 1,000 ha in area	6,729 ac (2,723 ha)
Total forest area in scope of certificate which is:	
privately managed ¹	20,963 ac (8,484 ha)
state managed	N/A
community managed ²	N/A
Number of forest workers (including contractors) working in forest within scope of certificate	Approximately 12, including foresters, logging contractors, and trucking contractors
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	Approximately 10 percent of the FMU (2,100 acres or 850 ha) is in wetlands, stream riparian buffers, or steep slopes where timber harvesting is limited by regulations or site conditions
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	At this time, no portion of the forest is devoted exclusively to the production of NTFPs
Area of forest classified as 'high conservation value	0 ac

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

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

forest'	
List of high conservation values present ³	N/A
Chemical pesticides used	None
Total area of production forest (i.e. forest from which timber may be harvested)	Approximately 19,000 ac
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	None
Area of production forest regenerated primarily by replanting ⁴	None
Area of production forest regenerated primarily by natural regeneration	Approximately 19,000 acres managed under a natural regeneration silvicultural system
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Red oak (<i>Quercus rubra</i>), White oak (<i>Quercus alba</i>), Black cherry (<i>Prunus serotina</i>), Tulip poplar (<i>Liriodendron tulipifera</i>), Sugar maple (<i>Acer saccharum</i>), and Red maple (<i>Acer rubrum</i>)
Approximate annual allowable cut (AAC) of commercial timber	4 million board feet.
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	None at this time.
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.)	Saw logs and pulp wood

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

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

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

1,000 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

The Mid-Atlantic Timberland Group is located in the United States and their operations are, therefore, subject to several federal regulations.

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

The Mid-Atlantic Timberland Group is comprised of private forestlands in the states of Maryland, West Virginia, and Pennsylvania. Future properties may be recruited in the state of Ohio, as well. In each of the states, there are a variety of regulations at the local, county, and state level that relate to the practice of forestry, logging, trucking, selling forest products, and environmental protection. Several of the most pertinent regulations are listed below, along with a reference to more complete discussions of state-level regulations.

Pertinent Regulations at State and Local Level in Maryland⁵:

- A Forest Products License is required to harvest, manufacture, or sell forest products
- Sediment and erosion control plan approved by a Soil Conservation District required for commercial harvest of forestland on 5,000 square feet of disturbed area or on an area that crosses any perennial or intermittent water course
- On land containing threatened or endangered species, contact Maryland Department of Natural Resources to determine measures to avoid impact to species
- A license issued by the Maryland State Board of Foresters required to practice forestry
- Must meet the definition of a Qualified Professional to prepare a forest stand delineation or conservation plan under the Forest Conservation Act

⁵ See <http://www.dnr.state.md.us/forests/publications/frg.html>

Pertinent Regulations at State and Local Level in West Virginia⁶:

- WV Timbering License required
- Supervising loggers must obtain a Certified Logger's Certificate, which requires training in the use of BMPs, safety, and first aid
- Timbering Operation Notification Form filed with WV Division of Forestry
- Logging and Sediment Control Act -- Best Management Practices for erosion and sediment control must be followed and failure to do so may result in issuance of a compliance order or a shut-down order from WV Division of Forestry
- Wetland alterations may require approval from WV Public Land Corporation and/or local jurisdictions

Pertinent Regulations at State and Local Level in Pennsylvania⁷:

- Erosion and sediment control plans (25 PA Code, Chapter 102); program administered by PA Department of Environmental Protection with delegation of some authority to County Conservation Districts
- Stream crossing permits (25 PA Code, Chapter 105); program administered by PA Department of Environmental Protection with delegation of some authority to County Conservation Districts
- Wetland permits for logging access roads (25 PA Code, Chapter 105); program administered by PA Department of Environmental Conservation with delegation of some authority to County Conservation Districts
- Protection of fish habitat (25 PA Code, Chapter 102 and 105)

1.2.1 Environmental Context

The forests of the region – many of which were dominated by white pine and American chestnut – were predominantly cleared for agricultural purposes and to provide construction materials over 200 years ago. Shade intolerant species, including oaks and tulip poplar, then re-colonized many sites, resulting in a generally even-aged forest throughout the region. Due to the American chestnut blight, this species never regained its prominence in the forest.

Throughout the 20th century, the region went through cycles of heavy harvesting in response to market demands, with the most recent occurring approximately 60-80 years ago. Today's forest, therefore, is relatively even-aged with stands that are generally 60-80 years old.

The forests of the region are now dominated by hardwoods that provide habitat for a wide range of both game and non-game species. White-tailed deer and turkey are important game species and brook trout are common in many streams.

⁶ See *Laws and Regulations for West Virginia Loggers*, prepared by Appalachian Hardwood Center, West Virginia University, with support from the WV Division of Forestry and the WV Sustainable Forestry Initiative.

⁷ See *Timber Harvesting in Pennsylvania, Information for Citizens and Local Government Officials*. Prepared by College of Agricultural Sciences, School of Forest Resources, Pennsylvania State University.

1.2.2 Socioeconomic Context

The Mid-Atlantic Timberland Group properties are located in a rural area of western Maryland, West Virginia, and Pennsylvania. The region is dominated by forests that are interspersed with agricultural lands and scattered residential development; its rural character has been retained, although commercial and residential development is increasing near larger urban centers and recreational areas.

Those involved in the forest products industry are often third, fourth, and fifth generation participants who place great value on continuing the tradition of earning a living from the forests of the region.

1.3 Forest Management Enterprise

1.3.1 Land Use

The Mid-Atlantic Timberland Group is a group certification enterprise comprised of private lands found in western Maryland, West Virginia, and Pennsylvania. Current membership totals just less than 21,000 acres and is comprised of small parcels ranging in size from less than 100 acres to over 3,000 acres. The average parcel size is approximately 400 acres.

These lands are privately held by a variety of landowners who have pledged to manage their forests according to the FSC Principles and Criteria. In general, there are no other legal use rights, with the exception of minor easements on a few of the parcels. The landowners hold the property primarily for the sustainable production of forest products, but most also use the land for hunting and other forms of recreation.

1.3.2 Land Outside Scope of Certification

Red Rock Enterprises manager/owner of the Mid-Atlantic Timberland Group has enrolled all of its own forests into the group. Thus, the partial certification policy is not applicable to this group. Some foresters within the group do also provide forest consulting services to other landowners, however, these lands are not subject to the partial certification policy. The long-term goal of the group is to add additional properties to the group over time, but in the short-term the current group size is considered to be practicable.

1.4 Management Plan

1.4.1 Management Objectives

The objectives of the subject forest management operation are:

- Provide a sustainable flow of logs and other forest products to their own operations as well as to other area sawmills and paper companies;
- Provide a sustainable flow of logs and other forest products to operations that have FSC chain-of-custody certificates;

- Enhance the value of timber on member forestlands while providing revenue from periodic harvests;
- Enhance the recreational value of member forestlands and avoid impacts to recreational resources such as trails; and
- Create local job opportunities for those interested in forestry, logging, or sawmill operations.

1.4.2 Forest Composition

A variety of forest types are included in the Mid-Atlantic Timberland Group. Within the general region, much of the land was historically covered with extensive stands of white pine and American chestnut. As these forests were cleared for agriculture and construction, shade intolerant species such as oak and tulip poplar became more common, often in an even-aged condition. In the early 1900s, mine props were cut for deep mining operations and represented a major component of the forest products industry. In response, forests began to change toward a more uneven-aged structure, with shade intolerant species – such as maple and beech – becoming more abundant. In addition, abandoned farmland has reverted to hardwood types of oak, hickory, tulip poplar, cherry, and maple. Softwoods, including white pine and hemlock, are found in scattered areas.

1.4.3 Silvicultural Systems

The Mid-Atlantic Timberland Group primarily employs selection harvesting systems designed to improve stand composition and enhance growth rates in remaining trees. These improvement cuts generally move stands from an even-aged condition toward a future whereby uneven-aged management will be more common. As site conditions dictate, Mid-Atlantic will also employ heavy thinnings to promote stand regeneration. Small patches of even-aged management are also used where species composition and site conditions warrant this approach.

1.4.4 Management Systems

The Mid-Atlantic Timberland Group is managed by Phil Frantz, owner of Red Rock Enterprises, LLC. Red Rock hires a consulting professional forester, Frank Stark, to conduct inventories, write management plans, and implement harvests. Logging contractors normally work directly for Red Rock.

One member of the Mid-Atlantic Group is Dallison Lumber, which owns land and runs a sawmill seeking its own FSC chain-of-custody certificate. Dallison Lumber employs its own company forester, Ron Cebulak, and hires its own logging contractor (primarily Dallison Logging, a separate corporation), but their work falls under the oversight of Frank Stark.

1.4.5 Monitoring System

For Principle 8, the Appalachia Regional Standard contains the following applicability note: *On small and medium-sized forests, an informal, qualitative assessment might be*

appropriate. On large forests and intensively managed forests, formal, quantitative monitoring is required. The forestlands included in the Mid-Atlantic Timberland Group are generally small to medium-sized and subject, primarily, to low-intensity thinnings and small patches of even-aged management where appropriate. For these reasons, the group's monitoring system is what can be described as semi-quantitative.

Given that the Mid-Atlantic Timberland Group is a relatively new enterprise under the FSC's group certification system, group managers meet regularly with group landowners, foresters, logging contractors, and purchasers of forest products to ensure that all parties understand the group certification system. This includes periodic monitoring of implementation of the management plan, as required by P&C 8.1.a of the regional standards.

Anticipated yield of forest products is estimated during pre-harvest planning and then checked through monitoring of actual harvested volumes. Mid-Atlantic currently only conducts quantitative inventories of standing volume on an as-needed basis. Moving forward, however, the group intends to conduct a quantitative inventory of all group member lands.

The social impact of forest management operations is important to the group's managers and is monitored through regular communication with member landowners, frequent meetings with logging contractors, and daily management meetings with consulting foresters.

1.4.6 Estimate of Maximum Sustainable Yield

Mid-Atlantic Timberland Group estimates a sustainable annual volume of up to 4 million board feet from the currently enrolled group members. This is a conservative estimate based on current stand maps and an understanding of average stocking levels. A quantitative estimate of maximum sustainable yield will be possible following the completion of the forest inventory for current member properties.

1.4.7 Estimated, Current and Projected Production

The majority of the group's properties have not been harvested in several years. A forest inventory is scheduled for 2008, after which more detailed estimates of potential production can be prepared.

1.4.8 Chemical Pesticide Use

The Mid-Atlantic Timberland Group does not use chemical pesticides or herbicides on its member forestlands.

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in western Maryland, West Virginia, and Pennsylvania, the certification evaluation that is the subject of this report was conducted against the duly-endorsed FSC Appalachia Regional Standard (version 4.2 dated December

6, 2005). The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scs-certified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

Evaluation of documents and phone interviews with group managers took place during April 2008. Following this, the site visit was conducted on May 8-10, 2008, and was followed by a period of additional document review and stakeholder consultation.

3.2 Assessment Team

Given the small size of the forest management operation, SCS elected to empanel a single-person evaluation team in an effort to provide affordable, yet rigorous, certification services to this group of small landowners. The audit was conducted by an auditor experienced in performing single-person evaluations of small landowners.

Michael Thompson, Team Leader: Mr. Thompson is a Certified Wildlife Biologist with extensive experience in forest management and the conservation of rare plants and animals and natural communities. He was a member of the FSC's Northeast Standards Working Group and has conducted FSC audits in Maine, Maryland, Massachusetts, Idaho, Ontario, and New Brunswick. Mr. Thompson is the owner of Penobscot Environmental Consulting, Inc., which is based in Yarmouth, Maine.

3.3 Assessment Process

3.3.1 Itinerary

An extensive desk audit was conducted over a period of several weeks in April 2008 prior to the site visit. The desk audit, which included in-depth document reviews and weekly phone interviews with group managers, was conducted to ensure that all relevant aspects of the regional standards were being addressed. Following the successful conclusion of this process, the site visit was scheduled for May 8-10, 2008.

The itinerary for the site visit included an evaluation of the group manager's consideration of the social impact of Mid-Atlantic's operations. Given this, as well as the fact that member properties have not been harvested in decades, the itinerary focused heavily on interviews with group members, logging contractors, and forestry staff.

3.3.2 Evaluation of Management System

The management system for the Mid-Atlantic Timberland Group was evaluated through an extensive desk-audit prior to the site visit, weekly phone calls with group managers, and private interviews with group managers, group foresters, member landowners, and logging contractors.

3.3.3 Selection of FMU's to Evaluate

As noted above, current group member properties have not been harvested in decades. The selection of sites to evaluate, therefore, focused on group member properties marked for near-term harvest. FMUs to evaluate also included non-group member properties in the same locale that had been harvested in the last year by logging contractors and foresters who will be used to manage group forestlands.

3.3.4 Sites Visited

The site visit included:

- May 8, 2008
 - Initial meeting with group managers at Red Rock office
 - Interviews with group member (Dallison Lumber), group manager (Phil Frantz), and group foresters during trip to Dallison Lumber sawmill in WV
 - Private interview with Dallison Logging
 - Dinner meeting with group manager, group member, and group foresters
- May 9, 2008
 - Private interview with independent logging contractors working for Red Rock
 - Creek Bottom Logging, Frostburg, MD
 - Tree Family Logging, Frostburg, MD
 - Russell Slagle, Bruceton Mills, WV
 - D&S Logging, Grantsville, MD
 - Site visits to FMUs
 - **Fraze Ridge** – Parcel marked for near-term harvesting; also included a discussion of Reason Run Buffer Protection Plan;
 - **Bever Parcel** – A visit to a site harvested in the past year on a non-group property that reflects a typical management scenario for group properties; the forester and logging contractor are part of Mid-Atlantic's group management system;
 - **Forthill Tract** – Site visit to area planned for near-term future harvest;
- May 10, 2008
 - Exit interview with group manager and group foresters at Red Rock's offices.

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:

- Determine whether group landowners understood the commitment to the FSC Principles and Criteria that they were making;
- Ensure that logging contractors understood their role in group certification and to

- Ensure that consulting foresters working for the group understood all of the requirements for certification as specified by the endorsed regional standards;
- Evaluate consultation that had occurred relative to the potential occurrence of High Conservation Value forests on the subject forestlands;
- Ensure that proper consultation was occurring with State Natural Heritage Programs and State Historic Preservation Offices; and
- Ensure that appropriate consultation was occurring with local tribal representatives.

Principal stakeholder groups of relevance to this evaluation were identified based upon results from the preliminary desk-audit, lists of stakeholders from Mid-Atlantic Timberlands Group, and additional stakeholder contacts from other sources. The following types of groups and individuals were determined to be principal stakeholders:

- Red Rock Enterprises, LLC, employees
- Consulting foresters retained by Red Rock Enterprises, LLC
- Group member landowners
- Logging contractors
- Pertinent tribal members and or representatives

The list of stakeholders is focused primarily on landowners and workers with direct ties to the Mid-Atlantic Timberland Group, which is a reflection of the currently small scope of the certificate. As the group grows in size, however, additional stakeholders may become relevant to the management of the Mid-Atlantic Timberland Group.

Most consultation with stakeholders occurred in private, face-to-face meetings during the site visit. Additional stakeholders were notified of the audit via email notification. A list of stakeholders contacted is maintained in the SCS files.

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

Due to the small size of the current group, most stakeholders had very little knowledge of the current management of the Mid-Atlantic Timberland Group properties. All, however, were supportive of efforts to pursue FSC certification.

Member landowners expressed support for the pursuit of FSC certification and noted that, although interested, they would not have pursued it had it not been for the organizational efforts of Red Rock Enterprises, LLC. Consulting foresters working for the Mid-Atlantic Timberland Group also expressed support for the FSC certification effort.

The greatest support for the Mid-Atlantic Timberland Group was expressed by the independent logging contractors who are hired to harvest timber on group member properties. All felt that their working conditions were fair and that the FSC certification process was a positive reflection on the role of the professional logger in forest management.

Agency personnel were supportive of the pursuit of FSC certification, while noting that they had little direct experience with the specific group member properties.

Customers in the region are quite supportive of the pursuit of certification and look forward to having local sources of FSC-certified forest products.

No responses were received as a result of email notification of the pending audit. In addition, no negative comments about the group managers or its foresters and logging contractors were received.

3.4 Total Time Spent on audit

Excluding travel, approximately 6 person-days were spent reviewing documents, conducting interviews, visiting sites, consulting with stakeholders, and preparing reports.

3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy – principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the auditor 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 (CARs) are issued for every instance of non-conformance. Major non-conformances trigger major CARs and minor non-conformances trigger minor CARs

Interpretations of Major CARs (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 CARs arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CARs. 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 auditor'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"> ▪ Forest managers have a strong understanding of State and Federal regulations that apply to forestry ▪ Logging contractors have received training related to applicable laws, regulations, and BMPs ▪ Forest management plans comply with State regulations ▪ Boundaries are marked and regular visits prevent timber theft ▪ Group manager and member landowners show documented commitment to FSC Principles and Criteria 	<ul style="list-style-type: none"> ▪ Managers are less familiar with ILO Code of Practice on Safety and Health in Forestry Work, but are working closely with contractors to ensure compliance ▪ Group managers do not have a long history of involvement with the FSC and need to continue to review regional standards and related guidelines and documents to ensure a full understanding of their requirements 	<ul style="list-style-type: none"> ▪ None
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Properties are privately owned by individual landowners or corporations with a long-term interest in sustainable forestry ▪ Boundary marking is done on a regular schedule ▪ There are no disputes regarding land ownership ▪ Forest managers notify adjacent landowners of pending harvests 	<ul style="list-style-type: none"> ▪ Managers are less familiar with the concept of customary use rights, although it appears that none exist on the subject properties 	<ul style="list-style-type: none"> ▪ None
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ Managers are consulting with local tribal representatives to ensure that forest management operations will not impact culturally significant sites 	<ul style="list-style-type: none"> ▪ Consultation with tribal representatives was only recently initiated 	<ul style="list-style-type: none"> ▪ CAR 2008.01

<p>P4: Community Relations & Workers' Rights</p>	<ul style="list-style-type: none"> ▪ Group managers package work in a manner that provides work opportunities for small, local contractors ▪ Employers have documented safety and training programs ▪ Pay and benefits appear to meet or exceed local norms for similar work ▪ Qualified logging contractors are employed ▪ Group managers are active in local communities and procure goods and services locally where possible ▪ Safety during logging is a priority for group managers and their contractors and contractors are expected to meet or exceed State and Federal safety standards 	<ul style="list-style-type: none"> ▪ Group managers must consult with the State Historic Preservation Offices, or their equivalent, in MD, WV, and PA regarding potential pre-historic or historic artifacts on group member properties (equivalent to a Principle-level failure, according to Appalachia Regional Standards; see P&C 4.4.e); this was a pre-condition that was satisfied prior to the conclusion of the evaluation 	<ul style="list-style-type: none"> ▪ Major CAR 2008.01
<p>P5: Benefits from the Forest</p>	<ul style="list-style-type: none"> ▪ Group managers have been in business for several generations and show a long-term commitment to forest management ▪ Timber sale conditions are clearly established and include a standard contract and map of the sale ▪ Local, value-added processing is targeted where possible ▪ Group managers strive to support and diversify the local forest products economy 	<ul style="list-style-type: none"> ▪ While waste appears to be minimized, and residual stand damage is a consideration on all harvest blocks, harvests on group properties were not available for inspection at the time of the audit ▪ Harvest levels are currently set based on qualitative parameters, but will be set based on quantitative estimates following a scheduled forest inventory 	<ul style="list-style-type: none"> ▪ CAR 2008.02

<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> ▪ Forest managers have an excellent understanding of the history of the regional forest ▪ State Natural Heritage Programs are contacted to determine if rare species or natural communities are present ▪ Forest managers rely on natural regeneration ▪ Forest managers retain a portion of most stands in older age classes ▪ Foresters walk harvest blocks with logging contractors and they jointly lay out skid trails ▪ Foresters mark the trees to be harvested on the majority of harvests ▪ All logging contractors are trained in the use of water quality BMPs ▪ Forest managers adhere to Streamside Management Zone requirements as defined in the FSC Regional Standards ▪ Forest managers do not use chemical pesticides or herbicides or biological control agents 	<ul style="list-style-type: none"> ▪ Consultation with State Natural Heritage Programs began relatively recently in response to FSC certification requirements ▪ Group foresters are receiving training in the identification of rare plants in response to FSC certification requirements (i.e., their expertise is building) 	<ul style="list-style-type: none"> ▪ CAR 2008.03 ▪ CAR 2008.04
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P7: Management Plan	<ul style="list-style-type: none"> ▪ The management plan includes a comprehensive umbrella plan that directs the management of all group member properties ▪ All individual properties have management plans that meet state requirements ▪ The management plan is comprehensive and in many areas exceeds the norm for properties of the size included in the group ▪ A Geographic Information System (GIS) is used as a key element of the management plan ▪ Consultation with State Natural Heritage Programs is documented within the management plan ▪ Certified logging professionals are used on all harvest operations 	<ul style="list-style-type: none"> ▪ The umbrella management plan is a relatively recent document (i.e., the track record for implementing the plan is not extensive) ▪ FSC certification is relatively new to foresters and logging contractors working on group member parcels and group managers will need to continue training programs to ensure a complete understanding of the management plan 	<ul style="list-style-type: none"> ▪ None
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Forest managers have scheduled a comprehensive forest inventory that exceeds the norm for parcels the size of group member properties ▪ Post-harvest monitoring inspections occur for all harvests and the results are reviewed with logging contractors ▪ Forest managers meet regularly with adjacent landowners and other interested parties regarding forest management activities 	<ul style="list-style-type: none"> ▪ The umbrella management plan is relatively new so there is no track record for monitoring its implementation 	<ul style="list-style-type: none"> ▪ None

P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ Consultation with State Natural Heritage Programs informs the consideration of potential HCVFs 	<ul style="list-style-type: none"> ▪ Forest managers must continue to learn about the FSC’s evolving definition of HCVF and conduct additional screenings, if necessary ▪ Consultation with State Heritage Programs is ongoing and may result in the identification of potential HCVF 	<ul style="list-style-type: none"> ▪ None (but see CAR 2008.03)
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4.2 Preconditions

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

The following pre-condition was placed on the Mid-Atlantic Timberland Group during their initial evaluation.

Background/Justification: The Appalachia Regional Standards (Criterion 4.4.e) require that significant archeological sites and sites of cultural, historical, or community significance, as identified through consultation with state archaeological offices, tribes, universities, and local experts, are designated as special management zones or otherwise protected. According to the Appalachia Regional Standards, failure to comply with Criterion 4.4.e is equivalent to a principle-level failure. The Mid-Atlantic Timberland Group had not consulted with State Historical Preservation Offices – or their equivalents – in Maryland, West Virginia, or Pennsylvania at the time of the site visit.	
Major CAR 2008.01	The Mid-Atlantic Timberland Group must consult with the State Historic Preservation Offices – or their equivalents – in Maryland, West Virginia, and Pennsylvania to determine if sites of pre-historic or historic significance are known or likely to occur on group member properties. Documentation that this consultation has occurred must be submitted prior to the award of certification.
Reference	FSC Indicator 4.4.e (equivalent to principle-level failure)

Immediately following the site visit, the Mid-Atlantic Timberland Group consulted with the State Historic Preservation Offices – or their equivalents – in Maryland, West Virginia, and Pennsylvania. Mid-Atlantic forwarded copies of correspondence from the SHPOs, which indicated that sites of pre-historic or historic significance were not known to occur on group member properties. The Major CAR, therefore, has been closed to the satisfaction of the auditor.

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 Mid-Atlantic Timberland Group be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 5.2. The Mid-Atlantic Timberland Group has demonstrated that their system of management is capable of ensuring that all of the requirements of the Appalachia Regional Standard are met over the forest area covered by the scope of the evaluation. The Mid-Atlantic Timberland Group has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

5.2 Initial Corrective Action Requests

Background/Justification: Criterion 3.3 requires that sites of special cultural,

ecological, economic, or religious significance to indigenous peoples be identified in cooperation with such people. At the time of the initial evaluation, group managers had just begun consultation with tribal representatives regarding sites of potential interest to indigenous peoples.	
CAR 2008.01	The Mid-Atlantic Timberland Group must consult with representatives of local tribes regarding the identification of sites of current or traditional significance (P&C 3.3.a). If such sites are identified, Mid-Atlantic Timberland Group must work with tribal representatives to develop appropriate protection measures (P&C 3.3.b). The Mid-Atlantic Timberland Group must submit evidence that a confidentiality agreement suitable to tribal representatives has been achieved (P&C 3.3.c).
Deadline	2009 surveillance audit
Reference	FSC Indicator 3.3.c

Background/Justification: At the time of the initial evaluation, none of the member group parcels had been subject to a timber harvest for several decades. This made it difficult to evaluate compliance with important elements of Principle 5 and Principle 6 on group member properties (i.e., nearby non-group harvests were substituted).	
CAR 2008.02	Mid-Atlantic Timberland Group must execute harvests on at least three member group parcels that show compliance with Criterion 5.3 and Criterion 6.3.
Deadline	By the time of the 2009 annual audit
Reference	FSC Criterion 5.3 and Criterion 6.3

Background/Justification: FSC Indicator 6.1.a of the Appalachia Regional Standards requires an assessment of current conditions in the forest that includes, among other things, a review of State Natural Heritage Program databases to determine the known or potential presence of rare plants or natural communities. Mid-Atlantic Timberland Group had initiated such consultation at the time of the audit.	
CAR 2008.03	Mid-Atlantic Timberland Group must provide documentation of consultation with the Natural Heritage Programs, or their equivalents, in Maryland, West Virginia, and Pennsylvania. If such consultation documents the known or potential occurrence of rare plants or natural communities, Mid-Atlantic Timberland Group must demonstrate how appropriate conservation measures have been incorporated into the management plan.
Deadline	By the time of the 2009 annual audit
Reference	FSC Indicator 6.1.a

Background/Justification: FSC Indicator 6.2.a requires surveys for rare plants or natural communities if consultation with Natural Heritage Programs, or other experts, indicates the likely presence of such resources. Mid-Atlantic Timberland Group forest managers are receiving training in the identification of rare plants and natural communities in the	
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region.	
CAR 2008.04	Mid-Atlantic Timberland Group must document that adequate surveys have been conducted in blocks scheduled for harvest where consultation with a Natural Heritage Program has indicated the likely presence of rare plants or natural communities, if any. An adequate survey would consist of a site visit by a qualified person during a season when the plants are expected to be encountered if present. As necessary, the management plan will be revised to ensure that similar surveys will be conducted on all future harvest blocks where rare plants or natural communities have a high likelihood of occurring, if any.
Deadline	By the time of the 2009 annual audit
Reference	FSC Indicator 6.2.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 Mid-Atlantic Timberland Group to the Appalachia Regional Standard. Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scs-certified.com).

6.1 2009 ANNUAL AUDIT

6.1.1 Assessment Dates

Since the 2008 initial evaluation, there were audit activities undertaken on the following dates:

- In May and June 2009 MATG submitted a notebook with documentation related to outstanding CARs and other management activities; this information was reviewed by the auditor prior to the site visit
- On June 21, 2009, the auditor arrived at the project area
- On June 22-23, 2009, the auditor met with MATG staff and visited several group member properties
- On June 24, 2009, the auditor held a closing meeting with MATG staff

The audit included 1 day of pre-audit document review and preparation, 4 days of site visits and travel, and 1 day of report preparation, for a total of 6 person days.

6.1.2 Assessment Personnel

The audit was conducted by Michael Thompson, who also conducted the initial evaluation of MATG in 2008.

Michael Thompson, Team Leader: Mr. Thompson is a Certified Wildlife Biologist with extensive experience in forest management and the conservation of rare plants and animals and natural communities. He was a member of the FSC's Northeast Standards Working Group and has conducted FSC audits in Maine, Maryland, West Virginia, Pennsylvania, Massachusetts, Connecticut, Idaho, Indiana, Tennessee, Ontario, and New Brunswick. Mr. Thompson is the owner of Penobscot Environmental Consulting, Inc., which is based in Yarmouth, Maine.

6.1.3 Assessment Process

The MATG is a group certification with member parcels in West Virginia, Maryland, and Pennsylvania. At the present time all member properties fall within the FSC's Appalachian Region. Parcels selected for a site visit were based on recent management activity and geographic locale. MATG's foresters were present for all site visits.

June 22, 2009

Opening Meeting. Overview of activities since last audit; discussion of potential future addition of group members in Virginia and Ohio; evaluation of responses to CARs; final selection of sites to visit

Twigg Property. Active harvest that included brief interviews with the harvesting contractor.

Harpold/Martin Property. Recently completed harvest.

Rollins Property. Recently completed harvest.

June 23, 2009

Blackshire Property. Recently completed harvest.

Stout Run Property. Recently completed harvest.

June 24, 2009

Closing Meeting

6.1.4 Status of Corrective Action Requests

CAR 2008.1	Reference: Indicators 3.3.a, 3.3.b, and 3.3.c
The Mid-Atlantic Timberland Group must consult with representatives of local tribes regarding the identification of sites of current or traditional significance (P&C 3.3.a). If such sites are identified, Mid-Atlantic Timberland Group must work with tribal representatives to develop appropriate protection measures (P&C 3.3.b). The Mid-Atlantic Timberland Group must submit evidence that a confidentiality agreement suitable to tribal representatives has been achieved (P&C 3.3.c).	
Action Taken By Company/Auditor Comments	
MATG conducted research to determine which local tribes had cultural ties to the region where group member properties occur. Following this, MATG made contact with tribal representatives, discussed resources that might be of interest to the tribe, and developed criteria for additional consultation should such resources be discovered. MATG entered into a Memorandum of Understanding with tribal representatives that addresses confidentiality issues. It is the opinion of the auditor that MATG's actions fully comply with the intent of the CAR.	
Position in the end of this audit: CLOSED	

CAR 2008.2	Reference: Criterion 5.3 and Criterion 6.3
Mid-Atlantic Timberland Group must execute harvests on at least three member group parcels that show compliance with Criterion 5.3 and Criterion 6.3.	
Action Taken By Company/Auditor Comments	
Harvest activities were completed on several properties and a sample of these was visited during the audit. All harvests were found to be fully compliant with indicators found in Criterion 5.3 and Criterion 6.3. It is the opinion of the auditor that MATG's actions fully comply with the intent of the CAR.	
Position in the end of this audit: CLOSED	

CAR 2008.3	Reference: Indicator 6.1.a
Mid-Atlantic Timberland Group must provide documentation of consultation with the Natural Heritage Programs, or their equivalents, in Maryland, West Virginia, and Pennsylvania. If such consultation documents the known or potential occurrence of rare plants or natural communities, Mid-Atlantic Timberland Group must demonstrate how appropriate conservation measures have been incorporated into the management plan.	
Action Taken By Company/Auditor Comments	
MATG has corresponded with appropriate staff in the states of Maryland, West Virginia, and Pennsylvania, as evidenced by a review of email and written correspondence during the site visit. MATG also has procedures in place for additional correspondence with the Natural Heritage Programs, as necessary, should future consultation indicate the presence of rare plants or natural communities on group member properties. It is the opinion of the auditor that MATG's actions fully comply with the intent of the CAR.	
Position in the end of this audit: CLOSED	

CAR 2008.4	Reference: Indicator 6.2.a
Mid-Atlantic Timberland Group must document that adequate surveys have been conducted in blocks scheduled for harvest where consultation with a Natural Heritage Program has indicated the likely presence of rare plants or natural communities, if any. An adequate survey would consist of a site visit by a qualified person during a season when the plants are expected to be encountered if present. As necessary, the management plan will be revised to ensure that similar surveys will be conducted on all future harvest blocks where rare plants or natural communities have a high likelihood of occurring, if any.	
Action Taken By Company/Auditor Comments	
MATG has procedures in place for additional consultation with Natural Heritage Program staff in the event of a rare plant or natural community being identified on a group member property (see CAR 2008.3). Correspondence from the regional Heritage Programs, or their equivalent, indicates their availability to assist with site visits should they be necessary. In addition, MATG foresters have taken training in plant identification and rare species awareness and are increasingly qualified to conduct surveys for many plants. The company also has relationships with outside ecologists should they be needed for botanical surveys. It is the opinion of the auditor that MATG's actions fully comply with the intent of the CAR.	
Position in the end of this audit: CLOSED	

6.1.5 General Observations

MATG has expanded its group size to a small degree to include additional parcels within Maryland, West Virginia, and Pennsylvania. All of these properties are with the FSC Appalachian Region. The company is considering adding additional group properties in Virginia and Ohio in areas that could potentially be in the FSC's Lake States or Southeast Regions. Adding these properties would require detailed reviews to ensure that management is fully compliant with the appropriate FSC standards given that all audits to date have been to the FSC's Appalachian standard. It is possible, however, that the FSC US will have a national standard in place prior to this being necessary.

SCS has been kept informed of the addition of all new group members and the auditor was provided with an up-to-date list of all current group properties.

6.1.6 New Corrective Action Requests and Recommendations

No new CARs or Recommendations resulted from the 2009 annual audit.

6.1.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that MATG's management of its group member properties in Maryland, West Virginia, and Pennsylvania continues to be in strong overall compliance with the FSC Principles and Criteria, as now elaborated by the FSC's Appalachian Regional Standards. That is, the SCS auditor has concluded from this annual audit that MATG's forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as MATG's operations are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is recommended.

7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

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

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

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

The written Complaint or Appeal must:

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

Written complaints and appeals should be submitted to:

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

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