

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

**Group Certification
Of
Philip E. Nemir, Consulting Forester
and Resource Manager**

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00033G**

Submitted to:

Philip E. Nemir, Consulting Forester and Resource Manager

July 30, 2006

Certified: August 24, 2006

Updated: July, 2007 (See Section 6.1)

Updated: December, 2008 (See Section 6.2)

Updated: August, 2009 (See Section 6.3)

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 auditing company, Scientific Certification Systems.

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Philip E. Nemir to conduct a certification evaluation of his Group Certification Scheme. 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 July 2006, 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 1 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Philip E. Nemir, consulting forester and resource manager, for the management of his forest management group. As detailed below, certain pre-conditions (also known as Major Corrective Action Requests) that were stipulated by the audit team upon completion of the field audit were addressed by Philip Nemir and cleared by SCS prior to finalization of this report. 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	Philip E. Nemir, Consulting Forester and Resource Manager.
Contact person	Philip Nemir
Address	P.O. Box 1717 Susanville, CA 96130
Telephone	530-257-2294
Fax	530-257-2294
E-mail	philnemir@hotmail.com
Certificate Number	SCS-FM/COC-00033GN
Certificate/Expiration Date	August 24, 2006 – August 24, 2011
Certificate Type	Group
SLIMF <i>if applicable</i>	iii) a group SLIMF certificate
Group Members <i>if applicable</i>	18 Group Members
Number of FMU's <i>if applicable</i>	15 FMUs in scope of certificate
Number of FMUs in scope that are	
less than 100 ha in area	13
100 – 1000 ha in area	5
1000 – 10 000 ha in area	0
more than 10 000 ha in area	0
Location of certified forest area	
Latitude	W 120 degrees 31 minutes
Longitude	N 40 degrees 28 minutes
Forest zone	temperate
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	360 ha
are between 100 ha and 1000 ha in area	1885 ha
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	5438 ac
Total forest area in scope of certificate which is:	
privately managed ¹	5438 ac
state managed	0 ha
community managed ²	0 ha
Number of forest workers (including contractors) working in forest within scope of certificate	Varies from year to year. This year he has had 4 fellows doing logging, two college-age “kids” doing thinning and pruning. He anticipates hiring three more guys to do thinning and hiring three more small logging crews. Roughly, this means that 18 people

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.

	have worked for Phil Nemir in 2006.
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	There are 5 acres on the Fendley property that constitute a native American village site and the Peter Lassen historic site. Trees are never cut in these forests. There are an additional 235 acres, distributed over five other forest properties where the level of cutting is extremely light. Most of these acres are in viewsheds. Forty of these acres are in the watershed for the small town of Greenville..Smaller archeological sites and watercourses and springs are also protected in accordance with regulations of the Forest Practices Act..
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	Firewood is available on all properties although there have been no firewood sales. Biomass chips have been taken off Finkel, Blechschmidt, Hulsman, Walton Homestead, and Baxter Creek. Commercial Christmas trees have been sold from Hund.
Area of forest classified as 'high conservation value forest'	240 acres
List of high conservation values present ³	5 acres at Fendley (Archeological Site); 1 acre on Hulsman Ranch (1 acre).
Chemical pesticides used	
Total area of production forest (i.e. forest from which timber may be harvested)	2,240 ha
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0 ha
Area of production forest regenerated primarily by replanting ⁴	0 ha
Area of production forest regenerated primarily by natural regeneration	2,245 ha
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Ponderosa pine (<i>Pinus ponderosa</i>), Jeffrey pine (<i>Pinus jeffreyi</i>), Douglas-fir (<i>Pseudotsuga menziesii</i>), white fir (<i>Abies concolor</i>), red fir (<i>Abies magnifica</i>), incense cedar (<i>Calocedrus decurrens</i>), sugar pine (<i>Pinus lambertiana</i>) and lodgepole pine (<i>Pinus contorta</i>).
Approximate annual allowable cut (AAC) of commercial timber	300 bd ft/ac/yr. Varies by property. Approximately 50 white fir; 200 ponderosa; 50 sugar pine; 50 all other species.

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.

Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	1,000 m3 of biomass chips for all group member properties.
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.)	Kiln-dried sawn timber (97%) of harvested timber. Fuelwood chips (for electricity production) 3% of harvested timber.

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

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

All forestry activities on lands managed in Mr. Nemir's management group need to be managed within the regulations imposed by the California Forest Practices Act. These forestry regulations are by far more stringent than the forestry regulations of any other state and there is intense monitoring by the California Forestry Department to assure compliance.

Other state statutes of relevance include the following:

The California Environmental Quality Act (CEQA);

The California Endangered Species Act

The California Fish and Game Code

The California Department of Water Quality regulations.

Besides complying with these California regulations, all forest lands must also be in compliance with federal regulations. These are generally far less demanding than the regulations of the Forest Practices Act. The regulations of greatest relevance to forest managers operating in this region of California include the following:

The Clean Water Act;
The Endangered Species Act;
And the Archeological and Historic Preservation Act.

These regulations address management aspects such as watercourse protection, habitat protection for “listed” species and identification and protection of archeological and historic cultural resources.

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

1.2.1 Environmental Context

Most of the properties managed by Mr. Nemir in this group management scheme are located within 15 miles of the Honey Lake Valley. Four, however, are located at about 30 miles distance.

The most prevalent forest type is the Sierra Mixed Conifer forest. Stand age of the overstory trees is generally 80 to 125 years. Major conifer species include ponderosa pine, sugar pine, white fir, white fir, Douglas-fir, and incense cedar. Black oak, big-leafed maple, dogwood and alder may also be present. Principal shrub species include deerbrush, buckbrush, manzanita and whitethorn.

The next largest vegetation type is the drier Eastside Pine forest characterized by a predominance of Ponderosa pine with pockets of white fir and incense cedar. Black oak and juniper may also be present. At higher elevations a few sugar pine and Douglas-fir will blend in. On sites where there is less available moisture it is common to find sagebrush, rabbitbrush and bitterbrush. Juniper may also be found on such sites.

The soils south of Highway 32 primarily are derived from granite. Properties north of Highway 32 are generally derived from volcanic material that originated from Mount Lassen or other volcanoes nearby. In most cases, a deep weathering of this parent material has left

soils with moderately good fertility and moisture storage and release characteristics considered to be excellent for forest trees. Slopes in the area are generally not so steep as to preclude tractor logging. However there are perhaps a few areas where cable logging would be needed, were they to be logged.

1.2.2 Socioeconomic Context

Properties belonging the Nemir group management scheme are generally located in the Plumas, Lassen and Tehama Counties of California. A sizeable amount of the income generated in these counties has come, historically, from the management of the forest resource for timber. However, many of the members owning properties belonging to the Nemir group have (or had) most of their personal wealth generated outside these counties. As such, the land-owners belonging to the Nemir scheme are not wholly dependent on income generated from the forests on their properties for their livelihoods. This helps them be able to make decisions based more on ecological and forest health considerations than on financial criteria.

A large proportion of Nemir group members are also interested in conducting forest harvests and thinning operations as a measure towards protecting their private property against wild-fire. As costs of wildfire control is typically a very large part of California's forestry budget each year, the state is often willing to contribute $\frac{3}{4}$ to $\frac{9}{10}$ of the funds needed to manage vegetation and reduce fire-risk. About $\frac{1}{2}$ of Mr Nemir's clients are especially interested in having Mr. Nemir obtain grants to cover the costs of reducing fire risks on their lands and then of managing the contractors that will carry out this work.

1.3 Forest Management Enterprise

1.3.1 Land Use

Prior to the arrival of European settlers, the forests of this region were inhabited by Native Americans. These people lived off the land often employing fire to create savannah-like settings where grazing animals could flourish. They also relied on several of the native species (such as black oak and some species of pines) for nuts and edible seed and took fish from the lakes and rivers.

When the white man arrived in number, during the second half of the 19th century, it was largely for the purposes of mining. Around the beginning of the 20th century, some rather large timber companies became established in the region and a small level of concern shown for fire control.

The potential depletion of the forest by harvesting or by wildfire became of progressively greater concern to people in the area that depended on these resources for their livelihoods and to folks living down stream that depended on some of the services that these forested areas could provide. Over the next several decades management strategies were developed to improve the condition and fate of these forests. Today, California has easily the most

stringent regulations of any other state in the US regarding activities that can take place on lands owned both by the public and by private land-owners as well.

1.3.2 Land Outside Scope of Certification

There are three properties that are also managed by Mr. Nemir that have not yet decided to join the SLIMF management scheme.

1.4 Management Plan

1.4.1 Management Objectives

The management objectives of most of the group members of the Nemir scheme can be summed as follows.

- Improve and sustain forest health;
- Protect soil resources;
- Minimize deleterious impacts on hydrological processes;
- Maintain forest aesthetics;
- Enhance wildlife habitats;
- Reduce risk of devastating forest fire;
- Have stable soils (including stable road systems);
- And, although never a predominating factor, utilize the forest resource to return some capital.

1.4.2 Forest Composition

The most prevalent forest type is the Sierra Mixed Conifer forest. Stand age of the overstory trees is generally 80 to 125 years. Major conifer species include ponderosa pine, sugar pine, white fir, white fir, Douglas-fir, and incense cedar. Basal areas prior to a harvest cut on these lands may reach 200 ft², boles tend to be very long and straight, stand volumes vary from 3,000 to 25,000 bd. ft/acre. The secondary species such as black oak, alder and the aforementioned brush species produce little in the way of wood, but a great deal in terms of other environmental values.

The next largest vegetation type is the drier Eastside Pine forest characterized by a predominance of Ponderosa pine with pockets of White fir and incense cedar. Black oak and juniper may also be present. At higher elevations a few sugar pine and Douglas-fir will blend in. On these sites basal areas top out at about 200 ft², but there are still tall trees being produced.

1.4.3 Silvicultural Systems

All of the silvicultural systems that Mr. Nemir uses with all of his clients have the general objectives of ensuring that forests will have diverse species, size class, age class and habitat

types. The heaviest reliance is on uneven-aged systems including individual and group selection, thinning and sanitation-salvage harvesting. Existing forest conditions, on a site and stand specific basis, determine the actual silvicultural system that will be used. The general goal is to reduce losses due to mortality, maintain adequate spacing between conifer trees, to retain a diversity of forest types and to generate periodic income.

Tree marking is based on individual tree crown condition and live crown ratio. Special attention is given to protecting archeological sites, riverine habitat types, streamside zones, special habitat types, recreational areas and view-sheds. All tree marking is done by Mr. Nemir.

Regeneration is largely by natural means. However, in the event of loss due to fire or severe insect infestations, some planting may take place.

1.4.4 Management Systems

The forests on a given property are divided into stands varying from 5 to 80 acres in size. When a mature stand grows to a point where it has close to the maximum carrying capacity for the site, some cutting of trees will take place.

Generally the amount to be removed during a harvest cut is about one-quarter to one-half of the standing commercial volume. A stand that has recently received a commercial cut will generally be left to grow for about 15 years before the next harvest cut.

Occasionally, stands will develop an excessive numbers of small diameter trees. This leads to excessive competition between trees, an inability for any of the trees to put on good diameter growth, and circumstances which can lead to the death of many trees. This also leads to stands developing a high risk for wildfire.

To relieve such overcrowded stands from this condition, Mr, Nemir employs both hand and mechanical thinning of a high proportion of these small diameter trees, leaving only about 120 well spaced trees as residuals. The trees removed during this thinning are typically chipped and used for biomass in the production of electricity.

1.4.5 Monitoring System

Mr. Nemir makes annual visits to most of the properties that he manages. He pays special attention to the crown conditions of the trees in stands that are beginning to show signs of slowdown in growth, or where there are newly dead trees.

For the larger properties, Mr. Nemir runs growth simulations using the stand tables developed from plot data. He relies on the computer program CACTOS to predict the development of these stands over the next several decades.

1.4.6 Estimate of Maximum Sustainable Yield

Maximum sustainable yields have been calculated for all habitat types in this part of California based on the mean annual increment of adequately-stocked, well-spaced stands. Generally these mean annual increments run from about 300 to 500 bd. Ft/ ac/year. This would amount to an increase of 4,500 to 7,500 bd. Ft/ acre over the 15 year interval between harvests. Since harvests done by Mr. Nemir's contractors generally run from 3,000 to 4,000 bd ft. they are always harvesting considerably less than the allowable cut.

1.4.7 Estimated, Current and Projected Production

On average, 3,000 to 6,000 bd. ft of logs will be removed from each production acre once every 15 years on properties managed by Mr. Nemir. Weakened trees, as evidenced by a receding crown, will be harvested preferentially during these cuts. Similarly white fir that has reached commercial size will be harvested preferentially (because of its vulnerability to bark beetles).

The volume of wood by given species varies from one property to another because better site forests have more white fir, Douglas-fir, sugar pine and cedar, while drier forests have a higher proportion of ponderosa pine, Jeffrey pine, and juniper.

This information is based on data provided by Mr. Nemir in response to questions about growth rates and harvest levels on 4 different sites.

1.4.8 Chemical Pesticide Use

No pesticides are used on lands managed by Mr. Nemir.

1.5 SLIMF Qualifications

All of the properties in this group management plan have less than 1000 ha of forest.

2.0 GUIDELINES/STANDARDS EMPLOYED

As the applicant forest property is located in northeastern California, the applicant was assessed for conformance against the duly-endorsed the Pacific Coast (USA) Regional Forest Stewardship Standard Version 9.0 (5/9/05).

This 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

Main Evaluation :
July 24-25, 2006

3.2 Assessment Team

Dr. Robert J. Hrubes, Team Leader: Dr. Hrubes is Senior Vice-President of Scientific Certification Systems. He is a registered professional forester and forest economist with 27 years of professional experience in both public and private forest management issues. He served as team leader for the initial MRC Forest certification evaluation. Dr. Hrubes worked in collaboration with SCS to develop the programmatic protocol that guide all SCS Forest Conservation Program evaluations. Dr. Hrubes has led numerous SCS Forest Conservation Program evaluations of North American (U.S. and Canada) industrial forest ownerships, as well as operations in Scandinavia, Chile, and Japan. He also has professional work experience in Brazil, Germany, Guam (U.S.), Hawaii (U.S.), and Malaysia. Dr. Hrubes is the principal author of this audit report.

Dr. Philip G. Cannon

Phil Cannon has BS, MF and PhD degrees from Oregon State, Duke and North Carolina State, respectively. His main coursework includes Forest Management, Forest Science, Forest Pathology, Forest Genetics, Soils and Statistics. He has twenty-five years of experience as a professional forester working in the United States and internationally (29 countries). Most of this work has been in the field of forestry research (silviculture, pathology, genetics, soils, vegetation management). He has also worked as a manager of some large international research and social forestry projects (working with FAO of the United Nations and with USAID) and as the productivity manager of some large forest products companies (Carton de Colombia, Boise Cascade and Forest Capital). He has also been a university professor (Alabama A&M and the Catholic University of Ecuador) and been an auditor for some FSC-certified projects in Brazil and Costa Rica.

3.3 Assessment Process

3.3.1 Itinerary

July 23: Previous reports were reviewed by PC (1.5 hr)

July 24: RH and PC Travel to near Susanville (4 hr) Arrive at noon.

July 24: RH, PC and Phil Nemir visit Gault, Round Valley, Indian Valley Forest, and Fendley properties and travel by vehicle foot throughout much of the premises of these forests to evaluate observable FSC indicators (6 hr).

July 25: RH and PC meet with Phil Nemir at his Baxter Creek Office/House/Property. There they discuss many other indicators related to FSC and review management plans and other documents that Phil Nemir has compiled to help with the management of this groups properties. (2 hr). Subsequently all three travel to review forest conditions and evaluate indicators for the Baxter Creek Woods, Nemir/Jackson, Farber, Finkel, Blechschmidt, and Hulsman Ranch forests. (2 hr). Finish at about 11:00 AM.

3.3.2 Evaluation of Management System

Reviewed the 62 page document titled “Forest Management Plan for FSC Certification of Certified Resource Manager Philip E. Nemir”. This document contains the overall management philosophy for all properties in the Nemir Group. It also contains a management plan for 15 of the 18 forest properties that belong to this plan. The management plan for the three most recent members of this group was not yet available for the auditors.

The auditors also visited ten of the properties belonging to this group and only found evidence to suggest that the management activities taking place on the ground are in close concert with the management plan in this document. The auditors also visited the office of Phil Nemir (in his home) and reviewed additional management documents that he has developed. In particular, the growth simulation work that Mr. Nemir has done for larger property owners in this group (the ones requiring Non-Industrial Timber Management Plans), indicated that he is capable of using Growth Simulators, CACTOS, in particular, for estimating the growth of stands. It appeared that Mr. Nemir is quite competent at using CACTOS, however, he obviously is more comfortable assessing stand development in the forest rather than on the basis of stand table projections.

Mr. Nemir has a very nice and well-equipped office in which to do his planning work.

3.3.3 Selection of FMU’s to Evaluate:

The following forest properties were visited during this evaluation:

- Baxter Creek
- Hulsman Ranch
- Nemir/Jackson
- Edwards
- Fendley
- Round Valley
- Gault
- Farber
- Blechsmidt
- Finkel

3.3.3 Sites Visited

Between 1 and 5 sites were visited on each of the aforementioned properties.

3.3.4 Stakeholder Consultation

Barney Ward (phone number 530 257 8503) works with the California Department of Forestry and is in charge of the Susanville office for this department. He mentioned that his department (in NE California) has become much more exacting in the past two years in ensuring compliance with the Forest Practices Act. He has worked with Mr. Nemir for years,

especially in the development of CFIPs. He volunteered that “Phil Nemir does an excellent job of developing plans.....although sometimes he takes a little long”.

Doug Cushman. Water Quality. 530 542 5417. Doug covers a huge proportion of the Sierra Nevada, basically everything east of the divide from the Lake Tahoe region to the Oregon border. Because his region is so large, he only has time to deal with areas that have been identified as being problematic. It is instructive to note that although he knew who Phil Nemir was, Doug has never had the occasion to check up on any of the properties that Phil manages. In other words, from Doug’s point of view, everything is fine on the Nemir-managed properties.

Angela Wilson. Water Quality Redding regional office (530 224 4856). A lengthy conversation was held with Ms. Wilson about the regulations and the enforcement of regulations in the watersheds of the N.E. corner of California. She knew about Phil Nemir and what he does and expected that he would be having little difficulty complying with the regulations. However, most of the Nemir-managed properties are not in the watershed that she is in charge of monitoring. Therefore, she declined further comment on this subject.

Additionally, comments were solicited from members of the FSC Pacific Coast Regional Working Group (now disbanded); however, no comments were received.

3.3.5 Summary of Stakeholder Concerns and Perspectives and Responses

There were no stakeholder concerns expressed during the review with stakeholders. It should also be noted, however, that the stakeholder consultation process was not an exhaustive exercise. Considering that Mr. Nemir has been certified for 5-years with very few CARs- we felt the level of consultation was sufficient.

3.3.6 Other Assessment Techniques

No additional techniques were used in the assessment of this group of SLIMFs.

3.4 Total Time Spent on audit

Phil Cannon spent 9 hrs with Phil Nemir, plus 4 hours reviewing documents and 20 hrs of writing. Robert Hrubes spent 9 hours with Phil Nemir and 2 hours reviewing this document.

3.5 Process of Determining Conformance

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

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

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

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

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

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

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

4.0 RESULTS OF THE EVALUATION

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

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
<p>1: FSC Commitment and Legal Compliance</p> <hr/>	<p>The philosophy to guide forest management on all properties being managed by Mr. Nemir is very thoroughly and well expressed On Page 3, paragraph C of the document titled “Forest management plan for FSC Certification of Certified Resource Manager Philip E. Nemir”. This philosophy is in complete alignment with the principles of FSC.</p> <p>Mr. Nemir lives the life, 24 hours a day, of the penultimate forest conservationist. He is a strong and vocal advocate of FSC, is a member of the Forest Guild and is very active in promoting this cause of conservation among the land owners that he serves in this group membership, in the Baxter Creek community (where he lives in the forest with a few other neighbors) and in the broader context of Susanville and Honey Lake Valley.</p> <p>Legal descriptions (and maps) were provided for the land holdings of all group members.</p> <ul style="list-style-type: none"> ▪ The auditors saw no practices that did not conform with the Forest Practices Act of California on the nine forest properties that were visited during this audit. ▪ THPs and NTMPs are public documents and Mr. Nemir uses both of these kinds of reports, so, there is sufficient transparency and adequate opportunity for stakeholder participation. ▪ Most roads into Nemir-managed lands were gated to protect from timber trespass. ▪ Taxes are paid by property owners. 	<ul style="list-style-type: none"> ▪ Some roads showed a minor amount of erosion as a result of waiting until harvest time to do road maintenance work. None were impassable or seemed to have delivered loads of sediment into streams. ▪ We found one gate (on the five properties visited) that had had the lock shattered. Mr. Nemir took immediate action to correct this situation. 	<ul style="list-style-type: none"> ▪

P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Easements are regularly executed. ▪ We did not hear about any customary use rights on any of the properties managed by Mr. Nemir. ▪ All property boundaries were clearly marked on all properties that we visited. ▪ Mr. Nemir discussed, in full detail, the sequence of legal and mensurational activities that took place when there was one case of timber trespass onto one of the properties that he manages. The situation was fully resolved by the appropriate legal process. ▪ All group members are fee-simple properties. ▪ Because of liabilities for all non-industrial land owners, there is little or no public access on these lands. ▪ There have been no disputes registered for any of the members of this group scheme. ▪ If there were, there is a mechanism within the California court system that should work for resolving such disputes. 	<p>No weaknesses noted</p>	<ul style="list-style-type: none"> ▪
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ Indigenous peoples do not own any of the land being managed by Mr. Nemir, so, to a large extent this principle is non-applicable. ▪ However, all tribes/rancherias are provided with public notices in the event that any harvesting event is scheduled to take place on land anywhere close to land managed by these tribes. ▪ When this notice is sent out, it is also accompanied by an invitation for tribal representatives to participate in a public forum to discuss the planned operation. 	<ul style="list-style-type: none"> ▪ It is doubtful that there are any customary rights of indigenous people on land owned by Philip Nemir's group members. All group member land is privately owned. 	

<p>P4: Community Relations & Workers' Rights</p>	<ul style="list-style-type: none"> ▪ Mr. Nemir is a member of the community and makes a good living conducting his forestry business. He hires local logging contractors to do the woods work that is required to fulfill the forest management plans, and he also hires young (college-age) men and women from the Susanville community to do some of the fuels reduction work. ▪ Mr. Nemir uses the competitive bid process and offers bid options to all local contractors. Therefore, he pays about the same as all other forestry company's in the region. ▪ Mr. Nemir's contracts state that work conditions for contractors and their crews must meet OSHA Standards, that workers have the right to worker compensation and that contractor's carry \$1,000,000 of liability insurance. ▪ Mr. Nemir arranges for and participates in many community, local and Northern California meetings designed to promote awareness and educate the public on forest conservation opportunities. ▪ Mr. Nemir complies with the California Forest Practices Act. Prior to initiating a harvest, he meets with the landowner to get their final comments and routinely invites all neighbors, and the representatives of up to six different tribes, to provide comments as well. ▪ Mr. Nemir invites the neighboring public and representatives of up to six different tribes to issue comments with respect to upcoming harvest cuts (although to date he has not received substantive comments). 	<ul style="list-style-type: none"> ▪ Mr. Nemir does provide safety instruction to contractors and workers on safe means to deal with hang-ups, but otherwise, he leaves most safety issues to the contractors. These auditors were dubious about the existence of formal opportunities workers might have had to learn how to work safely during all phases of harvest operations. ▪ Mr. Nemir invites the neighboring public and representatives of up to six different tribes to issue comments with respect to upcoming harvest cuts, but, to date, has received none. 	
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<p>P5: Benefits from the Forest</p>	<ul style="list-style-type: none"> ▪ Phil Nemir’s forest consulting business has been (and continues to be) very solid. ▪ The Hulsman Ranch property is especially well placed to serve as an inspirational and well-tested model for those that would like to consider a very conservation-minded approach to managing a forest property in an inland-forest environment. ▪ Most of Mr. Nemir’s clients have been with him for five to fifteen years. ▪ Certainly a part of the success of Mr. Nemir and his clients is that they have been very savvy when it came to recognizing and taking advantage of good business opportunities. The best example of this is the capture of California-Forest-Improvement-Program funds where the State of California will enter into a cost share arrangements with industrial and non-industrial forest land owners. Under this arrangement, the state pays between 75% and 90% of the costs that a landowner will need to pay to get forests “fire proofed” through a labor intensive program of stem thinning and branch pruning. ▪ There is no evidence of high-grading on forests managed by Mr. Nemir. Stand conditions, rather than cash needs, drive harvests on the lands that he manages. ▪ Local contractors do the harvesting and the hauling. ▪ All of the logs sold from member forests go to mills located within 200 miles of their origin; this local processing supports the local economy. Most of these mills are relatively small. ▪ All commercial coniferous species, are 	<p>One tree, out of about 700 examined, had been damaged irrecoverably. There had not been as much pre-commercial thinning as might be desirable on some forests. However, on others there had been a little biomass logging (for electricity).</p>	
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	<p>processed, thus taking fairly full advantage of the timber that can be produced in this region.</p> <ul style="list-style-type: none"> ▪ On dry portions of the Walton Homestead there has been biomass logging of junipers where they have encroached on lands that were historically maintained in the grassland sagebrush and pine forest condition. ▪ Black oaks are never commercially harvested on member land; Phil Nemir indicates that they are relatively rare and that they provide outstanding mast (food) for deer and other species. ▪ We saw no evidence of poor felling, skidding or bucking. ▪ A general impact of the thinning was to drive the species composition towards more seral mixes, thus increasing forest vigor because the remaining trees have more space, and because the species that were removed would have been much more vulnerable to bark beetles and other causes of mortality. Two major benefits of Mr. Nemir's management approach are improved overall forest vigor, and reduced risk of fire damage. ▪ Mr. Nemir is active in the Lassen Land & Trails Trust and is a strong advocate for conservation. ▪ He also participates in many community activities and is a major organizer of cross-country racing events in the Susanville Valley. ▪ Water and Lake Protection Zones were well respected in accordance with California regulations. 		
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	<ul style="list-style-type: none"> ▪ No clear-cuts were observed. ▪ Phil exceeds NTMPs because he has to do a sustained yield analysis. He projects stand growth and yield using the growth simulator, CACTOS. ▪ Harvests are always conservative (below depletion levels) and spaced approximately 15 years apart. The objective is to maintain all stands in a fully stocked condition (between 100 and 200 ft² depending on site quality and time since the previous cutting intervention) 		
<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> ▪ All operations on all member properties are covered in the Timber Harvest Plan (THP) or the Non-Industrial Timber Management Plan (NTMP) required by the State of California. This ensures that all California Environmental Quality standards (CEQA) will be met. ▪ Prior to developing a management plan for each property, Mr. Nemir surveyed the property for all features (wildlife habitat, watercourses, archeological sites) and then developed plans that at least met the requirements of the California Forest Practices Act (FPA). ▪ The Department of Fish and Game is actively reviewing the harvesting operation of the Nemir Group lands. ▪ As a Registered Private Forester (RPF), Mr. Nemir has an obligation to maintain his own training with respect to threatened and endangered species. ▪ Under the FPA, if there was a threatened or endangered species, Mr. Nemir would have to alter his management plan. ▪ Most of the group properties are small 	<ul style="list-style-type: none"> ▪ Roads are not regularly maintained and there was a slight amount of erosion on some of these. Notwithstanding, all roads were easily passable and no serious erosion gullies were observed. 	

	<p>suggesting that potential impact of not managing for threatened and endangered species would be small.</p> <ul style="list-style-type: none"> ▪ Harvest is through light commercial thinning, which in these environments allows for excellent natural regeneration (approximately 50 informal spot checks were made to verify this point). ▪ The forest harvest system employed on the Nemir group properties restores forests to a condition very close to what they would have if the natural cycle of fire (including many ground-fires) was allowed to operate in them. ▪ The streamside zones are protected from heavy cutting, allowing these forests to advance in the successional continuum. ▪ Mr. Nemir’s selection marking optimally promotes the development of healthy and diverse forests. ▪ It also enhances the development of a very broad range of habitats found in mid- age class forests with good spacing. ▪ Through participation in the California Forest Improvement Program (CFIP), some Nemir-group properties have had their risk of loss from fire greatly reduced. ▪ No serious damage to soil conditions was seen as a result of harvesting on any of the five properties visited. Slash had been scattered to minimize nutrient loss following harvest. ▪ Salvage cutting takes place, but many snags are deliberately left to provide wildlife habitat. ▪ CFPA compliance assures no water problems. 		
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	<ul style="list-style-type: none"> ▪ Harvesting results in no net loss of Type 3 old-growth. ▪ Black oak trees are always retained for their mast production. ▪ Some hardwood understory is always present. ▪ The impact of logging on forest soil condition is negligible; no rutting, no slump, no erosion. Precautions include no harvesting on steep ground, no site preparation and no new road building. 		
P7: Management Plan	<ul style="list-style-type: none"> ▪ Mr. Nemir prepared a 62 page management plan for all of the properties that he manages with this group scheme. ▪ The first 2 pages of this plan describe the background information on Mr. Nemir. They describe the formal education and the work experience that has prepared him to be able to manage this scheme. ▪ The next 11 pages describe the overall management scheme including the guiding philosophy that will be used to manage these properties. This philosophy embraces the 10 principles of FSC entirely. ▪ The remaining 48 pages is composed of 2 to 6 page group member summary information for each of the 15 properties that are a part of this group management scheme. For each of these properties the following information is presented: <ul style="list-style-type: none"> ▪ 1) A legal description of the property ▪ 2) The timber type ▪ 3) A list of wildlife habitats ▪ 4) A list of watercourses ▪ A list of archeological sites ▪ 5) A description of that owner's management objectives 	<p>Mr. Nemir wrote good management plans for the original 15 property owners to join the group scheme. In the last year, three more properties (Farber, Blechschmidt, and Nikolai) have joined the group scheme. The auditors have not seen the management plans for these three properties.</p>	<p>See CAR 2006.1</p>

	<ul style="list-style-type: none"> ▪ 6) An overview of the silvicultural prescriptions that could be selected for stands on that property as well as an explanation of the circumstances under which a prescription would be selected. ▪ 7) A description of special resource areas, which includes a written description of the land. <p>Each management plan is accompanied by at least one map. These maps always show latitude and longitude, the topographic contours, the property boundaries and most roads (including logging roads). Sometimes they show the location of protected watercourses and timber types.</p>		
<p>P8: Monitoring & Assessment</p>	<p>Mr. Nemir's principle approach to monitoring is to visit all of the forest properties in his group on a regular basis to ensure that everything is OK and to make sure that measures are taken to correct anything that finds to be amiss. He can do this because the properties he is managing are not too extensive, because they are relatively close to his center of operations, and because both he and his Land Cruiser travel extremely well. Indeed, Mr. Nemir is a phenomenal cross-country athlete and can cover large forest areas by foot in a single day.</p> <p>Mr. Nemir is also capable of monitoring in accordance with both the THP and NTMP approaches to managing forest properties.</p> <ul style="list-style-type: none"> ▪ The Non-Industrial Timber Management Plan (NTMP) can be used on smaller properties and permits the forest manager 	<p>Mr. Nemir is in phenomenal physical condition, but eventually it will be important to have a record of where harvest entries have been made in the past. It is suggested that he map in the entries that he has made over at least the past 5 years on each of the properties that he manages and that he maps in entries that he manages in the future, as well.</p> <p>Mr. Nemir's use of CACTOS could be elaborated on in this management plan. This point was made in Principle 7, as well, but in greater depth.</p>	

	<p>to make most decisions about which trees to cut and which to retain on an individual stand basis. This latter approach is the one most commonly employed by Mr. Nemir. When it is about time for a stand to be considered for another harvest entry (i.e. about 15 years have passed since the last entry), Mr. Nemir will walk through the stand quickly to get a feel for whether it is ready for the next entry (he has many indicators that help him make this evaluation.....basal area, degree of crown closure, slowing growth, elevating levels of crown recession or mortality)</p> <ul style="list-style-type: none"> ▪ The Timber Harvest Plan (THP) is required by larger property owners and requires the monitoring of growth plots and the running of the CACTOS (or other) growth simulators to help determine the allowable cuts (and cutting intervals). ▪ In the event that a stand passes the first test of readiness for the next harvest entry, the next step is to run a quick cruise to get an idea of the standing volume of timber (by species) on the site. Mr. Nemir showed that he is very adept at running these cruises by developing <i>ad hoc</i> stand tables for each of five stands that the auditor asked him to cruise ocularly. ▪ Based on these ocular cruises and the composition of the stand (by species, health condition, size classes and spacing), Mr. Nemir then marks trees in the stand for removal. He discriminates against trees that are unhealthy (as indicated by crown condition and live crown ratio) and by species (especially the white firs because of 		
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	<p>their proneness to bark-beetle infestation) and by spacing considerations. In general he starts marking those trees that are the most problematic (according to the aforementioned criteria) and continues marking until he has marked about 1/3 (or slightly less) of the standing volume in the stand that is being treated.</p> <ul style="list-style-type: none"> ▪ Although Mr. Nemir's approach to management may require a tremendous amount of personal attention to each acre, and although the biological and economic yields from these sites might not be maximized, from a forest conservation point of view, Mr. Nemir is maintaining these forests in optimal condition. 		
<p>P9: Maintenance of High Conservation Value Forest</p>	<ul style="list-style-type: none"> ▪ Mr. Nemir has participated in several courses/workshops to help him become competent in recognizing features in forests that are of high conservation value. ▪ He also demonstrated considerable personal interest in conservation matters. ▪ His management plan for each of the properties that he is managing includes a section on all of the HCVF forest sites on that property and the measures that will be taken to conserve them. 	<ul style="list-style-type: none"> ▪ HCV forests are not shown on the maps of most of the properties. ▪ In spite of Mr. Nemir's interest and generally broad knowledge about the HCVF sites that we visited during this audit, there are certain steps associated with the development of HCVFs that we did not verify had taken place, such as conversations with scientists and land-owners etc to verify the location and significance of these sites. 	

4.2 Preconditions

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

No preconditions were placed on Philip Nemir during this evaluation.

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the Philip E. Nemir be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 5.2. Philip E. Nemir has demonstrated that their system of management is capable of ensuring that all of the requirements of the The Pacific Coast (USA) Regional Forest Stewardship Standard Version 9.0 (05/09/05) are met over the forest area covered by the scope of the evaluation. Philip Nemir 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: Three new clients have been added to the Phil Nemir-management group. However, these new properties are not listed officially and the auditors were not shown the management plan for any of these three new members.	
CAR 2006.1	Mr. Nemir is to provide an updated list of the properties that belong to the Phil Nemir management group and will also supply management plans for the new properties that have recently joined his management group. These are the properties owned by Farber, Blechschmidt and Nikolai.
Deadline	Within 60 days of the 2006 Recertification Audit
Reference	<i>FSC Criterion 7.1a through 7.1i and FSC Principal # 7</i>
Update: Upon receipt of the Draft 2006 Recertification report, Mr. Nemir submitted to the auditors management plans for the three new properties enrolled in his group certification scheme. The auditors feel that sufficient documentation has been provided to consider this Corrective Action Request closed.	
Status	Closed as of the finalization of 2006 recertification report.

Recommendations

Background/Justification: Some of the roads traveled on during the 2006 audit of Nemir-managed properties showed slight evidence of erosion and lack of maintenance. This was especially true in areas where a long time had elapsed since previous harvest activities.	
REC 2006.1	Explore opportunities to periodically monitor roads and actively maintain roads during the long periods (up to 15 years) that elapse between harvests.
Reference	<i>FSC Criterion 6.5g- 6.5i and FSC Principal # 6</i>

Background/Justification: Notification of tribes about upcoming harvests scheduled on properties in their vicinity (a requirement of the Forest Practices Act) has produced almost no response from the tribes.	
REC 2006.2	Consider exploring other means of generating interaction and soliciting feedback from the tribes on forest management activities that could be of significance.
Reference	<i>FSC Criterion 3.1a-3.3c; 4.4c and FSC Principals # 3 and 4.</i>

Background/Justification: Mr. Nemir indicated that he has very limited direct involvement in ensuring that the contractors that work for him practice the safest logging practices. Rather, he leaves this responsibility for safety with the contractors themselves.	
REC 2006.3	Spend some time with the contractors and determine if there are some activities that might be done more safely. If there are, try to find some ways (training courses, etc) of ensuring that the contractors and their crews are given the relevant safety training.
Reference	<i>FSC Criterion 4.2a and FSC Principal 4.</i>

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 Philip Nemir to the Pacific Coast (USA) Forest Stewardship Standard Version 9.0 (05/09/05). Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scscertified.com).

6.1 2007 Annual Audit

6.1.1 Assessment Dates

The assessment occurred July 20, 2007.

6.1.2 Assessment Personnel

Sterling Griffin, RPF #2805: Sterling Griffin is a Senior Certification Forester with Scientific Certification Systems (SCS). He is a Registered Professional Forester in the State of California with 10 years professional experience in private and public forest management. After graduating from Purdue University with a B.S in Forestry, his professional career began with the U.S. Forest Service working in forest inventory (FIA), fire use, silviculture and ecosystem research. Areas of research activities include stand level response to vegetative competition and Long-Term Ecosystem Productivity (LTEP) in the Pacific Northwest. Prior to joining SCS, he was the founder of a forestry consulting firm in Northern California specializing in sustained yield and forest health management. Since joining SCS, Mr. Griffin has conducted numerous Forest Stewardship Council (FSC) assessments including forestlands administered by Fort Lewis Forestry Branch, Michigan DNR, Indiana DOF, New York DEC, Maryland DNR and numerous private operations in Oregon, Washington, and California.

6.1.3 Assessment Process

The scope of the 2007 annual audit, as with all annual audits, included: document review, spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders.

Site selections for the 2007 surveillance audit were based upon current harvesting areas, areas of special concern (HCVF), and other operational areas. In addition to the specific areas listed below, each stop included inspections of best management practices, forest regeneration, and roads.

Rosenburg Property

Phil Nemir is currently in the process of completing a Non-Industrial Timber Management Plan (NTMP) for the property. A 60 acre Type III HCVF in eastern portion of the property has been identified and confirmed through the field visit. Old “cow camp” recorded with SHPO as historic archaeological site. Fish bearing stream through middle of meadow identified as class I watercourse. Lodgepole pine stand salvage harvested 4 years prior under THP. Stand nicely spaced large fast growing pines retained. This stand looks very healthy compared to untreated stands in surrounding area.

Faber Property

Property logged in 2004 using selective prescription. Eastside pine forest type containing ponderosa pine, incense cedar, and some black oak. Removed approximately 2.5 mbf/acre. Nice residual stand spacing and diameter distribution. Trees display healthy crowns and no signs of pest infestation. A California Forest Improvement Project (CFIP) to reduce fuel load by hand thinning small diameter trees and treating generated slash is ongoing.

Nemir Property

Uneven-aged stand of healthy pine and cedar is being maintained. On-going fuel-reduction work is being conducted to protect residential structure and surrounding community. No planned harvests in the immediate future.

Hulsman Ranch

This property is the largest landowner in the group and contains over 2,300 acres of forestland. An NTMP is in place for the property. Observed 200 acre harvest area logged in 2006. Portions of some roads have failed waterbars and landowner is responsible under forest practice rules to restore the functioning of these erosion control devices. Homestead cabin properly recorded and protected. Goshawk nest site discovered by Phil

Nemir and being protected under consultation with CA Department of Fish and Game. Harvested area contains nice residual stand of healthy, fast growing trees and nice uneven-aged diameter distribution. Very little residual stand damage observed.

6.1.4 Status of Corrective Action Requests

Background/Justification: Three new clients have been added to the Phil Nemir-management group. However, these new properties are not listed officially and the auditors were not shown the management plan for any of these three new members.	
CAR 2006.1	Mr. Nemir is to provide an updated list of the properties that belong to the Phil Nemir management group and will also supply management plans for the new properties that have recently joined his management group. These are the properties owned by Faber, Bleckschmeidt and Nicholii.
Deadline	Within 60 days of receipt of the 2006,Recertification Audit
Reference	<i>FSC Criterion 7.1a through 7.1i and FSC Principal # 7</i>
Response <i>7/19/2007</i>	Phil Nemir has provided SCS with an updated group member list. New management plans have been created for the three new members and placed under the group management plan guidelines.
Status	Closed

6.1.5 General Observations

The Phil Nemir Group Management properties appear to be very well managed. Selection silviculture and application of the FSC Principles and Criteria is the primary technique used to manage stands within the group scheme. Phil has no employees and conducts all the field work himself; therefore, he maintains a very close relationship with the forest and is able to monitor conditions very well. As a result, the stands that have been recently managed by Phil appear to be in much better shape than adjacent stands. A nice diameter distribution of fast growing trees with healthy crowns is retained and the weaker fading trees are removed to open growing space for the dominant and co-dominant individuals. Phil Nemir pays close attention to fire-hazard concerns and protection of important forest resources. These factors combine to present a very nice application of the FSC Principles and Criteria.

6.1.6 New Corrective Action Requests and Recommendations

<p>Background/Justification: The Group Manager has identified HCVF areas in consultation with landowners, agency personnel, and other affected stakeholders. These areas were identified on maps and confirmed through field visits; however, the symbol used to delineate the HCVF (highlighted area) is not easily photocopied. Furthermore, the binder of group member’s management plans and records included maps that did not identify the HCVF areas.</p>

CAR 2007.1	Phil Nemir must update the maps of each group member's property to clearly indicate where HCVF areas are located.
Deadline	<i>2008 annual audit</i>
Reference	FSC Criterion 7.1

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 Phil Nemir's Group Management continues to be in strong overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains one aspect of the management program that is deficient relative to the standard of certification, the SCS auditor has concluded from this annual audit that the PNGC forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as PNGM operations are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted, subject to ongoing progress in closing out the one open CAR and subject to subsequent annual audits.

6.2 2008 Annual Audit

6.2.1 Assessment Dates

The audit took place on December 18, 2008. Approximately one person day was spent on the surveillance audit, including a review of documents and interviews with PNGC.

6.2.2 Assessment Personnel

Mr. Kyle Meister, Lead auditor: Mr. Meister is a Certification Forester with Scientific Certification Systems. Recent audits include the Mendocino Redwood Company's Resource Manager Program, Michigan DNR, Trout Mountain Forestry, and Collins-Lakeview. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan. He recently completed a Master of Forestry degree at the Yale School of Forestry and Environmental Studies. He has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, and Colombia.

6.2.3 Assessment Process

The 2008 desk audit included document review and interviews with management and outside stakeholders. The auditor provided PNGC management with a questionnaire prior to the audit to facilitate the assessment process. PNGC provided maps and other pertinent documents after the audit date.

6.2.4 Status of Corrective Action Requests

<p>Background/Justification: The Group Manager has identified HCVF areas in consultation with landowners, agency personnel, and other affected stakeholders. These areas were identified on maps and confirmed through field visits; however, the symbol used to delineate</p>

the HCVF (highlighted area) is not easily photocopied. Furthermore, the binder of group member's management plans and records included maps that did not clearly identify the HCVF areas.	
CAR 2007.1	Phil Nemir must update the maps of each group member's property to clearly indicate where HCVF areas are located.
Deadline	<i>2008 annual audit</i>
Reference	FSC Criterion 7.1
SCS auditor comments: PNGC provided the auditor with updated maps clearly showing the location of HCVFs. The areas were highlighted on the map and a crosshatch pattern was used in case the maps need to be photocopied. Although the crosshatch pattern is not included in the map key, there is an arrow pointing to the crosshatched areas in the maps with the text "HCVF." This complies with FSC Indicator 7.1.h.1 regarding maps in the management plan.	
Disposition of this CAR: CAR closed.	

6.2.5 General Observations

Prices for wood products have been low and logging costs so high that no timber was harvested under the PNGC program this year. PNGC's manager says that unless there is significant improvement, it is doubtful that any timber will be sold in 2009. Despite the economic downturn and lack of timber revenue, PNGC has carried out some management activities. For example, fuel reduction under a CFIP grant on Baxter Creek Woods Partnership is near completion (pruning, slash disposal on +/- 18 acres). PNGC has visited 12 of its 16 member properties, maintaining good relations with clients and working on timber harvest plans.

6.2.6 New Corrective Action Requests (CARs) and Recommendations

Background/Justification: PNGC did not inform SCS of a change in its group membership within one month of the occurrence of the change.	
CAR 2008.1	In the future, PNGC must inform SCS of any changes in its group membership within the time specified in the Group Certification Standards. PNGC shall implement a system to ensure compliance with the Group Certification Standards.
Deadline	2009 annual audit
Reference	<i>FSC Group Certification Standards C6, Indicator 6.1</i>

6.2.7 General Conclusions of the Annual Audit

Based upon information gathered through interviews and document reviews, the SCS audit team concludes that Phil Nemir's Group Management certification program of lands in northeastern California continues to be in strong overall compliance with the FSC Principles and Criteria detailed in the Pacific Coast Regional Guidelines. There remains only one aspect (CAR 2008.1) of the management program that is deficient relative to the standard of certification. Thus, the SCS audit team has concluded from this annual audit that PNGC's forest management program is in strong conformance with FSC Principles 1 through 9 (Principle 10 is not

applicable as PNGC’s operations are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted subject to subsequent annual audits.

6.3 2009 Annual Audit

6.3.0 2009 SURVEILLANCE DECISION AND PUBLIC RECORD

6.3.1 Assessment Dates

The audit took place on August 10, 2009. Approximately one person day was spent on the surveillance audit, including a review of documents and interviews with PNGC.

6.3.2 Assessment Personnel

Mr. Kyle Meister, Lead auditor: Mr. Meister is a Certification Forester with Scientific Certification Systems. Recent audits include CalPoly Swanton Pacific Ranch, Staub Forestry, Los Olivos y otros, and the Humboldt Redwood Company. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan, and a Master of Forestry degree at the Yale School of Forestry and Environmental Studies. He has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, and Colombia.

6.3.3 Assessment Process

The 2009 desk audit included document review and interviews with management and outside stakeholders. The auditor provided PNGC management with a questionnaire prior to the audit to facilitate the assessment process.

6.3.4 Status of Corrective Action Requests

Background/Justification: PNGC did not inform SCS of a change in its group membership within one month of the occurrence of the change.	
CAR 2008.1	In the future, PNGC must inform SCS of any changes in its group membership within the time specified in the Group Certification Standards. PNGC shall implement a system to ensure compliance with the Group Certification Standards.
Deadline	2009 annual audit
Reference	<i>FSC Group Certification Standards C6, Indicator 6.1</i>
PNGC response: PNGC will inform SCS of changed within the 30 day time frame specified in the Group certification Standards. However, PNGC prefers to contact SCS well in advance of pending changes in group membership to ensure continued conformance.	
As such, PNGC anticipates adding another group member sometime this winter once we are able to complete a timber cruise and appraisal. PNGC is also dealing with an internal legal issue over the Indian Valley Forest Partnership, which could affect its status as a group member. PNGC will keep SCS informed of the outcomes and ramifications of the Indian Valley Forest Partnership as more details become known.	
Auditor comment: PNGC’s response is satisfactory.	
Status of CAR: This CAR is closed.	

6.3.5 General Observations

Prices for wood products have been low and logging costs so high that no timber was harvested under the PNGC program this year. PNGC’s manager says that unless there is significant improvement in the last quarter of 2009, it is doubtful that any timber will be sold this year. PNGC completed a fuel reduction under a CFIP grant on the Baxter Creek Woods Partnership (pruning, slash disposal on +/- 18 acres) this past winter. PNGC has visited 10 of its 16 member properties, maintaining good relations with clients. Most notably, the manager of PNGC has been attending several conferences and workshops during this slow period to stay up to date on local conservation and forestry issues.

6.3.6 New Corrective Action Requests (CARs) and Recommendations

SCS issued no new CARs, but did issue two recommendations.

Background/Justification: California Forest Practice rules provide sufficient opportunity for American Indian tribes to participate in the identification of tribal resources on lands at the scale and intensity of PNGC’s management, however, PNGC has not conducted an assessment of applicable treaties and binding international agreements and their impacts on PNGC’s forest management operations.	
REC 2009.1	PNGC should identify all applicable treaties and international agreements and assess whether or not they affect its forest management program.
Reference	FSC Indicator 1.3.a

Background/Justification: PNGC has identified the Indian Valley Forest Partnership as a current dispute over land tenure to the certification body, SCS.	
REC 2009.2	PNGC should continue to keep SCS informed of the outcome and ramifications of this dispute as more information on this issue becomes known.
Reference	FSC Indicators 2.3.a, 2.3.b and 4.5.a.

6.3.7 General Conclusions of the Annual Audit

Based upon information gathered through interviews and document reviews, the SCS audit team concludes that Phil Nemir’s Group Management certification program of lands in northeastern California continues to be in strong overall compliance with the FSC Principles and Criteria detailed in the Pacific Coast Regional

Guidelines. The SCS audit team has concluded from this annual audit that PNGC's forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as PNGC's operations are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted subject to subsequent annual audits.

7.0 SUMMARY OF SCS COMPLAINT INVESTIGATION PROCEDURE

The following is a summary of the SCS Complaint Investigation Procedure, the full version of the procedure is available from SCS upon request. The SCS Complaint Investigation Procedure is 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.

The SCS Complaint Investigation Procedure is a first-stage forum and mechanism for hopefully resolving issues, thereby avoiding the need to involve the FSC. A complaint may come from either clients (e.g., forestland owner, mill owners, manufacturer or retailer, brokers) or from other parties such as interested stakeholders. To have standing under this Procedure, complaints must be in writing, accompanied by supporting evidence, and submitted within 30 days of the date in which the action triggering the complaint occurred.

The written complaint must:

- Identify and provide contact information for the complainant
- Clearly identify 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 a FSC requirement, being as specific as possible with respect to the applicable 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, rectify the matter.

Written complaints 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 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.