

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

Pioneer Forest LLC

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00124N**

Submitted to:

**Pioneer Forest LLC
Private Forestlands in Salem, Missouri**

**Lead Author:
Mr. Kyle Meister**

**Date of Field Audit:
November 27-29, 2007**

**Date of Report:
January 11, 2008
Updated April, 2009 (See Section 6.1)
Updated April, 2010 (See Section 6.2)**

Certified: Date of Certificate 2/15/2008

By:

**SCIENTIFIC CERTIFICATION SYSTEMS
2200 Powell St. Suite Number 725
Emeryville, CA 94608, USA
www.scscertified.com**

**SCS Contact: Dave Wager dwager@scscertified.com
Client Contact: Terry Cunningham, terry.cunningham@pioneerforest.org**

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 Pioneer Forest LLC.

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by the Pioneer Forest LLC to conduct a certification transfer evaluation of its private forestland holdings in Salem, Missouri. 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 August of 2008, a team of natural resource specialists was empanelled by another FSC-accredited certification body to conduct the recertification evaluation of Pioneer Forest, LLC. The team collected and analyzed written materials, conducted interviews and completed a 2 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted. SCS was retained by Pioneer Forest, LLC in March 2010 to conduct its annual surveillance audit. The FM/COC certificate was transferred to SCS in April of 2010.

This report is issued in support of a recommendation to award FSC-endorsed certification to Pioneer Forest LLC for the management of its forestlands. 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 the Pioneer Forest LLC 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).

Foreword.....	3
Section A- Public Summary and Background Information	5
1.0 GENERAL INFORMATION	5
1.1 FSC Data Request.....	5
1.2 Management Context.....	7
1.2.1 Environmental Context.....	7
1.2.2 Socioeconomic Context	8
1.3 Forest Management Enterprise.....	8
1.3.1 Land Use.....	8
1.3.2 Land Outside the Scope of Certification	9
1.4 Management Plan.....	9
1.4.1 Management Objectives.....	9
Our Purpose	Error! Bookmark not defined.
Timber Management Objectives	Error! Bookmark not defined.
1.4.2 Forest Composition.....	9
1.4.3 Silvicultural Systems.....	10
1.4.4 Management Systems	10
1.4.5 Monitoring System.....	10
1.4.6 Estimate of Maximum Sustainable Yield of Wood Products	10
1.4.7 Estimated, Current and Projected Timber Production	11
1.4.8 Chemical Pesticide Use	11
2.0 Guidelines/Standards Employed	11
3.0 THE CERTIFICATION ASSESSMENT PROCESS.....	11
3.1 Assessment Dates	11
3.2 Assessment Team	11
3.3 Assessment Process	12
3.3.1 Itinerary.....	12
3.3.2 Evaluation of Management System.....	12
3.3.3 Selection of FMU's to Evaluate.....	12
3.3.4 Sites Visited.....	13
3.3.5 Stakeholder Consultation	14
3.3.6 Other Assessment Techniques.....	15
3.4 Total Time Spent on audit.....	15
3.5 Process of Determining Conformance.....	15
4.0 Results of the Evaluation	16
Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C.....	17
4.2 Major Corrective Action Requests (formerly, "Pre-Conditions")	20
5.0 Certification Decision.....	20
5.1 Certification Recommendation.....	20
5.2 Initial Corrective Action Requests.....	20
6.0 Surveillance Evaluations	21
7.0 Summary of SCS Complaint and appeal Investigation Procedures	36

SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Pioneer Forest, LLC
Contact person	Terry Cunningham, Forest Manager
Address	Pioneer Forest P.O. Box 497 Salem, Missouri 65560
Telephone	(573) 729-4641
Fax	(573) 729-6706
E-mail	terry.cunningham@pioneerforest.org
Certificate Number	SCS-FM/COC-000124N
Certificate/Expiration Date	2/14/2010
Certificate Type	Single FMU
Number of FMU's	1
Number of FMUs in scope that are	
less than 100 ha in area	0
100 - 1000 ha in area	0
1000 - 10 000 ha in area	1
more than 10 000 ha in area	0
Location of certified forest area	
Latitude	Latitude: N37 degrees 16'2" minutes
Longitude	Longitude:W91 14'35.8" minutes
Forest zone	Temperate
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	0
are between 100 ha and 1000 ha in area	0
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	0
Total forest area in scope of certificate which is:	
privately managed ¹	140,366 Acres
state managed	0
community managed ²	0
Number of forest workers (including contractors) working in forest within scope of certificate	6.5
Area of forest and non-forestland protected from commercial harvesting of timber and managed primarily for conservation objectives	0 ac
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	0 ha
Area of forest classified as 'high conservation value	1504 ha

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	HCV 1, 2 and 4
Chemical pesticides used	None
Total area of production forest (i.e. forest from which timber may be harvested)	140,366 ac
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0 ac
Area of production forest regenerated primarily by replanting ⁴	0 ac
Area of production forest regenerated primarily by natural regeneration	140,366 ac
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	<i>Quercus rubra, Quercus velutina, Quercus coccinea, Quercus stellata, Quercus alba, Carya spp., Nyssa sylvatica, Pinus echinata, Acer spp., Fraxinus americana, Fraxinus spp., Ulmus americana, Ulmus fulva, Robinia pseudoacacia, Prunus serotina, Platanus occidentalis, Quercus muhlenbergii</i>
Approximate annual allowable cut (AAC) of commercial timber	15,684.1 m ³
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	0 lbs – currently under investigation by FME
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.)	Logs/Wood in the rough, Non Wood Forest Products (<i>Hammamelis vernalis</i>)

Conversion Table English Units to Metric Units

Length Conversion Factors		
To convert from	To	multiply by
Mile (US Statute)	Kilometer (km)	1.609347
Foot (ft)	Meter (m)	0.3048
Yard (yd)	Meter (m)	0.9144
Area Conversion Factors		
To convert from	To	multiply by
Square foot (sq ft)	Square meter (m ²)	0.09290304
Acre (ac)	Hectare (ha)	0.4047

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.

Volume Conversion Factors		
To convert from	To	multiply by
Cubic foot (cu ft)	Cubic meter (m ³)	0.02831685
Gallon (gal)	Liter (l)	4.546
Quick reference		
1 acre	= 0.404686 ha	
1,000 acres	= 404.686 ha	
1 board foot	= 0.00348 cubic meters	
1,000 board feet	= 3.48 cubic meters	
1 cubic foot	= 0.028317 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

There are no mandatory forest management practices in Missouri. Very few regulations govern how forests are managed in the state. The state's published BMPs are not mandatory but are monitored by the Missouri Department of Conservation (MDC). Monitoring areas on PF have maintained a high quality water source. Water quality is monitored through a research project that covers several areas of the state.

1.2.1 Environmental Context

Pioneer Forest is located within the Ozark region of south central Missouri. It is classified as a temperate forest dominated by deciduous trees. Other areas are dominated by coniferous trees or mixtures of broadleaf-coniferous species. There are two major types of forest within Pioneer Forest. The first is Upland Oak-Hickory Forests and the second is the Upland Oak-Pine Forests. There are also other ecological communities consisting of small areas of riparian forest, glades, and fens. The majority of the Pioneer Forest is located within the Salem Plateau subdivision of the Ozark Mountains Physiographic Province, surrounded by the Central Plateau and the Current River Hills subsections of the Ozark Highlands. The topography in this area was shaped through a process of erosion. The areas of greatest topographic relief reach 700 feet. The area of the Ozarks that Pioneer Forest is located in includes many classic karst features with large springs, sinkholes, losing streams, numerous caves, bluffs, glades, fens, and clear streams. The forest is located within the watersheds of the Black, Current, and Jack rivers. PF is surrounded by farmland, local communities, private non-industrial forest landowners, Missouri Department of Conservation forests, the National Park Service's Ozark National Scenic Riverway, and portions of the U.S. Forest Service's Mark Twain National Forest. Pioneer Forest represents the single largest contiguous ownership in Missouri, and for that reason it is extremely important in maintaining the natural forest diversity of the region. The owner and managers

have set aside 7 reserve areas on the forest and protecting unique or sensitive areas. They have also recognized the importance of the forest for water quality and protection of that quality is a prime concern when undertaking management operations on the forest.

1.2.2 Socioeconomic Context

PF is bordered by many different types of stakeholders and landowners including: farmland, small towns, private non-industrial forest landowners, Missouri Department of Conservation (MDC) forests, the National Park Service's (NPS) Ozark National Scenic Riverway, and portions of the U.S. Forest Service's Mark Twain National Forest. Pioneer Forest recognizes sensitive natural areas that its owner and staff take great efforts to preserve. Many areas are managed cooperatively with the MDC and the MDNR. Their forest management scheme also provides local communities with a steady supply of wood for mills and presents a number of recreational opportunities for residents and visitors.

The surrounding rural communities such as Salem and Rolla all benefit from the presence of PF. Pioneer Forest supports these communities because the majority of the PF's goods, equipment, and services come from local businesses and individuals. Pioneer Forest is also a member of Value Missouri (VM), a non-governmental group that promotes sustainable forest management while ensuring that a steady flow of forest products emanate for and from the Missouri economy. Pioneer Forest is actively involved with planning for the natural resource base in the region. PF would like to educate landowners on alternative forest management strategies that contrast with even-aged management and "cut and get out" activities in the region. The U.S. Forest Service and the MDC have both expressed an interest in PF operations and have initiated similar activities on their own holdings. PF is also continuing to work with the MDNR to enhance and expand recreational opportunities in the region. The agreement for the Roger Pryor Pioneer Backcountry area is an example of this as is the proposed Current River Trail.

1.3 Forest Management Enterprise

1.3.1 Land Use

The Pioneer Forest is located in the Ozarks of south central Missouri. The forest land is located within six counties in Missouri; Carter, Dent, Reynolds, Ripley, Shannon, and Texas. The main headquarters for Pioneer Forest is in Salem, Missouri. In the past, private individuals and lumber companies owned most of this area. By the early 1900's, Pioneer Cooperaage started acquiring land which eventually totaled 90,000 acres. Then, in 1946 National Distillers took over the properties. The company managed them under a selective harvest scheme. In 1953, the company began to sell its landholdings. The current property, which totals about 140,000 acres, was created through land acquisitions of Leo A Drey, a St Louis businessman and conservationist. Drey began purchasing forested properties to manage in 1951. In 1954, he added about 90,000 acres of the National Distillers holdings. The forest management objective for the current property is uneven-aged silviculture with a

primary goal of growing high quality trees for sawtimber and veneer that will be harvested through a single tree selection system.

1.3.2 Land Outside the Scope of Certification

All of the Pioneer Forest, LLC lands are included within the scope of the certificate. However, when the L-A-D Foundation assumed full ownership of Pioneer Forest in July 2004, about 13,000 acres of L-A-D property, NADIST LLC, was excluded from the merger because of lead mining activity on the property. The principle reasons for their exclusion were the potential adverse financial effects on Pioneer Forest if included, as well as the possible effects on FSC certification. PF foresters manage these properties and it is anticipated that when the issue of contamination from the lead mines is resolved the properties will become part of Pioneer Forest and be certified by FSC.

1.4 Management Plan

The summary of the Pioneer Forest management plan has been posted on the company's web site. PF also considers sharing its full management plan with interested parties.

1.4.1 Management Objectives

From Pioneer Forest's management plan:

Main objectives of the forest management are:

- 1) Primary priority: Pioneer Forest is notable for its size under a single ownership and the fact that it also includes the largest contiguous piece of land under any ownership in the state, public or private. There is significant ecological and landscape value in its consolidation with the objective that it continues to be managed and maintained as a coordinated unit.
- 2) Secondary priority: Manage the resource of the forest to preserve the beauty and vigor of the forest in perpetuity while also maintaining a continuing level of output from renewable resources that are appropriate to the forest's natural capability.
- 3) Other priorities: Continue the forest policy that has brought these two objectives into harmony and meets Forest Stewardship Council certification standards. Continue a sustainable forestry program that can be passed on to future management staff.

1.4.2 Forest Composition

The forest is a naturally generated mix of species. Oaks, hickories, and shortleaf pine are the dominant native species. There are also a wide variety of other native species which are part of the forest composition.

1.4.3 Silvicultural Systems

Uneven-aged management which uses single-tree selection is the harvest method of choice. The cutting cycle is generally every 20 years, but is adjusted depending on stand development and the degree of canopy closure since the last harvest.

Silvicultural system % of forest under this management
Even aged management: 0%
Clearfelling (clearcut size range) : 0%
Shelterwood : 0%
Uneven aged management: 100%
Individual tree selection : 100%
Group selection (group harvested of less than 1 ha in size): 0%

1.4.4 Management Systems

The L-A-D Foundation's Management Committee supervises forest management operations. The committee meets periodically as needed. This committee has allowed the Forest Manager to prepare the operating budget, conduct expenditures, and consult with staff on regular management operation. The Forest Manager is responsible for most of the Operational decision-making, and is assisted by a forester (there are plans for a second forester to begin fulltime in January 2008) and a Chief of Recreation and Forest Reserves. There are also several senior staff and three additional forestry technicians, each assigned to specific districts of the forest.

1.4.5 Monitoring System

Contracts describing Pioneer's on-the-ground timber Marking and weekly monitoring operation are used issued to each operator. Marked trees are scaled and billing tickets are issued for each sale, generally weekly. Harvests totals are kept annually and reported to the Foundation though a Annual Report issued by the staff each September. The Annual Report of the Foundation, which is prepared by the staff, reports on forest management and harvest activities by sale, activities on forest reserves and natural areas, land acquisition, research, grants, public policy issues and education and outreach. Each Section of forest to be harvested is also monitored beginning, during and at the end of a sale. Monitoring Reports filed in the Salem office. Between each harvest, sections of forest are visited and reported on every two years. Designated Natural Areas are reported on annually.

1.4.6 Estimate of Maximum Sustainable Yield of Wood Products

15.7 mmbf

1.4.7 Estimated, Current and Projected Timber Production

Pioneer's Continuous Forest Inventory began in 1952. Data has been collected every five years since from nearly 500 permanent plots from across the forest. The Pioneer Forest Management uses this information and the growth records to establish annual allowable harvests every five years. Annual harvests are an estimated 60% of annual growth, or about 40% of the standing volume. Restoration of these forested landscapes has resulted because harvesting has been less than annual growth. Single-tree selection harvests are scheduled as needed every 15-20 years. Since the 1950's, there have been three entries for harvest on forest properties.

1.4.8 Chemical Pesticide Use

Pioneer Forest does not use chemicals as part of its forest management practices.

2.0 GUIDELINES/STANDARDS EMPLOYED

Forest Stewardship Standard for the Ozark-Ouachita Region (USA) Version 6.3, December 6, 2005.

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The audit team conducted the conformity assessment from November 27-29, 2007

3.2 Assessment Team

John Hodges is a lead assessor and auditor for another FSC-accredited certification body. His undergraduate degree is in Forest Management and his graduate degrees are in ecology and Plant Physiology. He has worked for the U.S. Forest Service in both management and research, taught at Mississippi State University for 23 years, and served as Vice President and Land Manager for Anderson-Tully Company. He has authored or co-authored more than 150 scientific or technical publications and is a fellow in the Society of American Foresters. He has served on numerous FM and RM assessment teams as team leader or team member and has done dozens of CoC assessments and audits.

Foster Dickard. Forester, Wildlife Biologist. Mr. Dickard has a B.S. Forestry and Masters of Wildlife in Extension Education from Mississippi State University. He is a Certified Wildlife Biologist. Mr. Dickard is currently the Senior Forester for another certification body's FSC-accredited program. He has over 25 years of professional experience in forestry and wildlife management and over 10 years experience in sustainable forest management programs and certification.

3.3 Assessment Process

The Assessment Team (John Hodges and Foster Dickard) met with PF staff on the afternoon of November 27, 2007 in their office at Salem, Missouri. After introductions, the auditors explained the purpose and procedures of the assessment. The remainder of the afternoon was used to collect documents and information necessary to establish compliance with FSC standards and to select sites for field inspection.

3.3.1 Itinerary

Date	Location /main sites	Main activities
November 28, 2007	PF's office in Salem, MO	Collect and review documents relating to certification, Questions related to standard select sites for field visits.
November 29, 2007	Visit field sites	Evaluate field management activities
November 30, 2007	PF's office in Salem, MO	Final discussions with staff relating to conformance with standards, present preliminary results of audit to staff and answer questions by staff relating to findings.

3.3.2 Evaluation of Management System

The evaluation of the Management System included document review, field and office visits, interviews with management personnel and, as appropriate, with outside stakeholders.

3.3.3 Selection of FMU's to Evaluate

Random site selection was made based on a list of sites provided by Pioneer Forest, showing management activities. The selection sampled a range of different management activities, different logging contractors, different sites (areas) across the ownership, and other activities. The number of sites sampled was limited by the time available for the assessment. However, the number sampled and the site activities represents an adequate sample of management activities on the forest.

3.3.4 Sites Visited

List of management aspects reviewed by assessment team:

Type of site	Number of Sites visited
Road construction	2
Illegal settlement	
Soil drainage Bridges/stream crossing	2
Workshop Chemical storage	
Tree nursery Wetland	1
Planned Harvest site	1
Steep slope/erosion	2
Ongoing Harvest site	3
Riparian zone	2
Completed logging	2
Planting	
Soil scarification	
Direct seeding	
Planting site	
Weed control	
Felling by harvester	
Natural regeneration	6
Felling by forest worker	1
Endangered species	
Skidding/Forwarding Wildlife management	
Clearfelling Nature Reserve	1
Shelterwood management	
Key Biotope	
Selective felling	6
Special management area	2
Sanitation cutting Historical site	1
Pre-commercial thinning	
Recreational site	2
Commercial thinning	1
Buffer zone	
Logging camp	
Local community	

3.3.5 Stakeholder Consultation

The purpose of the stakeholder consultation strategy for this assessment was threefold:

- 1) To ensure that the public is aware of and informed about the assessment process and its objectives;
- 2) To assist the field assessment team in identifying potential issues; and,
- 3) To provide diverse opportunities for the public to discuss and act upon the findings of the assessment. This process is not just stakeholder notification, but wherever possible, detailed and meaningful stakeholder interaction. The process of stakeholder interaction does not stop after the field visits, or for that matter, after even a certification decision is made. The audit team welcomes, at any time, comments on certified operations and such comments often provide a basis for field assessment.

In the case of Pioneer Forest, prior to the actual assessment process, a public consultation Stakeholder document was developed and distributed by email, FAX and mail. Through input from Pioneer staff and audit team members, an initial list of stakeholders was developed and public announcements were distributed to them. This list also provided a basis for the assessment team to select people for interviews (in person or by telephone or through email). Public meetings were also held and written surveys were distributed to gather stakeholder input.

Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)	Stakeholders Notified (#)	Stakeholders consulted directly or provided input (#)
NGOs		2
Local Community members		2
Govt agency		2
Contractors		3

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

The stakeholder consultation activities were organized to give participants the opportunity to provide comments according to general categories of interest based upon the assessment criteria. The table below summarizes the issues identified by the assessment team with a brief discussion of each based upon specific interview and/or public meeting comments.

Table 3.5. *Stakeholder comments and audit team response.*

FSC Principle	Stakeholder comments	Certification Body response
P1: FSC Commitment and Legal Compliance	PF is very committed to FSC and forest certification.	Agree
P2: Tenure & Use Rights & Responsibilities	PF allows open hunting on their lands for the public at no cost	Agree

P3 – Indigenous Peoples’ Rights	NA	No response needed.
P4: Community Relations & Workers’ Rights	PF is extremely important to this region. PF as been a pleasure to work with and their public is well treated	Agree
P5: Benefits from the Forest	PF does not over-harvest the forest and works with local mills and businesses	Agree
P6: Environmental Impact	PF forest operations does an excellent job and has very little impact on the land	Agree
P7: Management Plan	PF has a very good management plan and well prepared forest operations	Agree
P8: Monitoring & Assessment	PF does an excellent job of monitoring	Agree
P9: Maintenance of High Conservation Value Forest	PF does and excellent job of protecting RTE species and coordinating volunteer support for monitoring and implementing resource protection measures	Agree
P10 - Plantations	Not applicable. PF does not use plantation management.	No response needed.

3.3.6 Other Assessment Techniques

No assessment techniques other than the ones previously described were employed for this project.

3.4 Total Time Spent on audit

In excess of 4 auditor days was spent on the full evaluation, including time spent on preparatory work, review of documents and records, interviews with stakeholders, carrying out field work, post-field interactions with the client for the purpose gathering additional information, and writing the report.

3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy, principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the team

collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective 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.

Observations: These are suggestions that the audit team concludes would help the company move even further towards exemplary status or avoid future nonconformance. Action on the observations is voluntary and does not affect the maintenance of the certificate. Observations can be changed to CARs if performance with respect to the indicator triggering it falls into non-conformance.

4.0 RESULTS OF THE EVALUATION

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

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

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	Strong commitment to FSC P&C and to FSC certification	<ul style="list-style-type: none"> ▪ None 	None
P2: Tenure & Use Rights & Responsibilities	Boundary marking and maintenance is very good. Strong commitment to stakeholder consultation and involvement.	<ul style="list-style-type: none"> ▪ None 	None
P3: Indigenous Peoples' Rights	NA	<ul style="list-style-type: none"> ▪ NONE 	NONE
P4: Community Relations & Workers' Rights	<p>PF's management results in good job opportunities for local people</p> <p>PF contributes greatly to the local communities directly through monetary contributions and by staff participation in community affairs.</p> <p>PF is not legally required to pay property taxes but does so voluntarily</p>	<p>Contract logging crews did not always wear proper protective gear.</p> <p>The sale (harvest) agreement does not include safety requirements.</p>	See Observation 2008.1

P5: Benefits from the Forest	<p>Very little damage to residual stand and site following harvest operations. Silvicultural system used results in maintenance or improvement in biodiversity.</p> <p>PF is exceptional in terms of their reinvestment in the community, providing scholarships for high school students, funding for local projects, voluntary property tax payments, given grants to Bombrake Community Center and Ozark Natural and Cultural Resources Center, and paid for a display at the Ozark Natural Cultural Resources Center. The staff of PF is active in community activities as well as hosting educational tours on the forest. (money and active engagement).</p>	None	None
P6: Environmental Impact	<p>PF protects associated values of biodiversity in all aspects of forest operations. PF has a longstanding tradition of conservation and environmental protection.</p>	Some road stabilization structures were not constructed properly and placed not appropriately to be effective in managing water runoff and potential erosion after completed forest harvesting operations.	See Observation 2008.3.
P7: Management Plan	The PF Management plan has all the elements required by the standard and is well organized and readable.	None	None

P8: Monitoring & Assessment	Investment in and use of a CFI system for monitoring forest resources. Involvement of outside agencies and organizations	None	None
P9: Maintenance of High Conservation Value Forest	PF makes every effort to identify and protect high conservation values on their property.	None	None
P10 - Plantations	NA	None	None
Chain of custody	PF has very good records of products sold, including buyers, dates, products, volume, and species.	None	None
Group Certification Requirements	NA	None	None

4.2 Major Corrective Action Requests (formerly, “Pre-Conditions”)

A major corrective action request (Major CAR) is issued when a systemic or significant non-conformity is detected during the conformity assessment. As an example, a finding of non-conformity across the breadth of a FSC Criterion mandates the issuance of a Major CAR. Major CARs must be cleared prior to award of certification.

The following Major CARS were issued as a result of the certification evaluation of HRC. As is documented, below, each of the Major CARs have now been closed due to the fact that HRC submitted evidence of corrective actions, subsequent to the field audit but prior to finalization of this report, that warranted the Major CARs being closed.

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the Pioneer Forest LLC, be awarded FSC certification as a “Well-Managed Forest” subject to the Corrective Action Requests stated in Section 5.2. HRC has demonstrated that their system of management is capable of ensuring that all of the requirements of the Forest Stewardship Standard for the Ozark-Ouachita Region (USA) (Version 6.3, December 6, 2005) are met over the forest area covered by the scope of the evaluation. HRC 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

No CARs were issued as a result of this audit.

Observations (OBS)

Background/Justification: Some harvest crew members were observed working without use of proper safety gear.	
OBS 2008.1	PF should require all contract workers to wear proper safety gear.
Reference	FSC Indicator 4.2.a

Background/Justification: PF’s Harvest Agreements do not contain a clause for safety requirements.	
OBS 2008.2	PF’s Harvest Agreements should be amended to contain a clause requiring proper use of safety equipment by harvesting crews.
Reference	FSC Indicator 4.2.a

Background/Justification: Some post harvest road stabilization structures (water bars) were not placed and constructed properly.	
OBS 2008.3	PF should require proper placement and construction of road stabilization structures (water bars) in their post harvest road stabilization compliance.
Reference	FSC Indicator 4.2.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 HRC to the Forest Stewardship Standard for the Ozark-Ouachita Region (USA) Version 6.3, December 6, 2005. Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scs-certified.com).

6.1.0 2009 SURVEILLANCE DECISION AND PUBLIC RECORD

6.1.1 Assessment Dates

The annual surveillance audit took place on November 18, 2009. The auditing team spent some hours in the headquarter offices conducting the opening meeting, collecting administrative information, audit evidence and planning site visits.. Later, fields included several recent harvest sites and forest reserve areas.

6.1.2 Assessment Personnel

Michael Weatherford is a lead assessor and auditor for another FSC-accredited certification body. Mr. Weatherford holds a B.S. in Forestry from North Carolina State University and an MBA from Columbus State University. During his 40-year career in forestry, he has worked for several forest products companies throughout the Southeastern United States. Prior to his association with an FSC-accredited certification body, he managed certification operations for a major forest products company. Mr. Weatherford has performed more than 60 chain of custody and forest management audits.

6.1.3 Assessment Process

The scope of the 2009 annual audit included: document review, field and office visits, interviews with management personnel and, as appropriate, with outside stakeholders. The following site visits and activities were realized:

FMU or other Location	Compartment/ Area	Site description / Audit Focus and Rationale for selection
Headquarters	Salem, MO	<ul style="list-style-type: none"> Management systems, records, staff interviews.
32-31-5	Current River	Individual tree selection hardwood - recent harvest. Auditor observed skid trail location, utilization, tree selection. Some skinning of trees adjacent to one skid trail caused by skidding

		downhill to the log deck - not a normal practice but necessitated by access restrictions.
2-31-6, 11-31-6	Current River	Sinkhole reserve area featuring overcup oak, which is rare for the area. Auditor observed that the area was well delineated and protected from adjacent harvesting.
25-30-4	Current River	Recent harvest of hardwood. Auditor observed excellent utilization and very low residual tree damage.
12-30-4	Current River	Close-out of completed harvest. Auditor observed water bars placed on a skid trail in highly-erodible soil. Water bars had failed and were re-built by the logger using a skidder.

6.1.4 Status of Corrective Action Requests

There are no open corrective action requests from the previous FSC audit of the FME.

6.1.5 General Observations

There have been no changes in management philosophy, silvicultural and harvesting practices or organizational structure during the audit period. A forester was added to the staff during the audit period. Softening of the timber market resulted in the FME not meeting its timber production goals YTD 2008. The FME sold six parcels of land totaling approximately 500 acres. Proceeds from the sales were placed in a land acquisition account to purchase land for consolidation purposes.

6.1.6 New Corrective Action Requests and Observations

Nonconformity:	
<ol style="list-style-type: none"> 1. The FME includes safety topics in staff meetings; however, it does not have a training plan or system to identify training needs and ensure that needed training is provided. There is no evidence of documented safety procedures. The FME does not maintain records of safety training provided. 2. FME Timber Sale Agreements do not include requirements for use of safety equipment or compliance with safety regulations by contractors. 	
CAR 2009.1	Pioneer shall develop and implement safety programs and procedures that include: documentation of safety procedures; safety records; and contracts with safety requirements.
Deadline	2010 Annual Audit
Reference	<i>FSC Indicator 4.2.a</i>
FME response	FME response during annual audit:

<p>and SCS comment</p>	<p>PF now maintains records of trainings, conferences, and meetings that staff members attend and has provided a list of these for 2009-2010. Training needs identified and fulfilled for new staff foresters include Game of Logging (GOL), Professional Timber Harvester Training and Fire Training and Pack Test. Training needs identified and fulfilled for all employees include regular CPR/First AID courses (copies of certification cards provided).</p> <p>We hold meetings among staff and talk about many topics, including safety and training. During these meetings, staff talks about management challenges, training needs and opportunities, and other topics. Staff also regularly engages loggers in the field to go over maps and harvest documents.</p> <p>The updated Timber Cutting Agreement, item 12, contains language that requires loggers to show proof of both liability and workers compensation insurance. Item 13 stipulates that the logger shall conduct all operations in accordance with safety standard provided under applicable law and regulation, including, without limitation, the Occupational Safety and Health Act. Item 14 requires loggers to comply with BMPs as published by the Missouri Department of Conservation and to clean up and remove any soil contaminated as a result of equipment maintenance or repairs.</p> <p>SCS Comment during annual audit: The updated contracts include safety requirements, such as requiring that loggers demonstrate compliance with OSHA standards, which in turn requires the implementation of personal protective equipment (PPE).</p> <p>Since PF has a small amount of staff and all of them participate in local forestry initiatives and trainings throughout the year, the monthly meetings that it holds are a satisfactory mechanism to identify and address training and safety needs.</p> <p>PF provided copies of certification cards and receipts to show evidence of attendance at trainings, which it keeps on file.</p> <p>The Employee Handbook contains the basic daily check-in and check-out protocols, which include the use radio communication for check-in, check-out, and changing locations. However, lacks documented safety procedures for emergencies, such as forest fires, wind storms, medical emergencies, and other incidents that may require rapid response in case a team member is suddenly</p>
-------------------------------	--

	<p>incapacitated in the field or loses communication with the central office. What procedures does the team follow if a district field technician suddenly is not available to respond to incidents in his/her district?</p> <p>FME response March 25, 2010: We have prepared the document, <i>Pioneer Forest Safety Procedures</i>, in response to the SCS comments from the annual audit.</p> <p>SCS Comment, March 26, 2010: The document that fulfills the basic requirement of documenting safety and emergency procedures. On a daily basis, PF staff is required to check in and out using its radio communication system. In addition, PF has documented procedures for medical emergencies, wildfires, and windstorms. PF may be able to reduce its response time to emergencies by creating more robust procedures (see OBS 2010.2)</p> <p><i>Note:</i> At the time of the field audit, FME’s actions taken were not sufficient to warrant closure and this was raised to a Major CAR. However, on March 25, 2010, FME submitted adequate evidence to close this CAR.</p>
Disposition of CAR	This CAR is closed.

Nonconformity: The FME has not established documented Chain of Custody procedures.	
CAR 2009.2	Pioneer shall establish and implement documented CoC procedures to ensure effective control of forest products from standing timber until ownership is transferred at the forest gate, meeting requirements as stated in Appendix IV of this report [SCS note: this CAR refers to another certification body’s appendix].
Deadline	2010 Annual Audit
Reference	<i>COC 1; Criterion 8.3</i>
FME response and SCS comment	<p>FME response during annual audit: The forest gate is defined as the stump; it is where we relinquish physical and financial ownership of any cut tree. We have documented procedures that cover FSC Certified Product Handling and Sales, Record Keeping, and Training. PF does not label roundwood.</p> <p>SCS comment during annual audit: What is mean by “CoC information” on the receipt that is copied</p>

	<p>and given to log buyers? This must be clarified in the procedures.</p> <p>Part 1 (c): The procedure is not complete in that it should include the product claim and certificate code on the invoice.</p> <p>Part 2 (b) – PF has decided to sell everything as FSC-certified (that is, to make no distinction on invoices between buyers who wish to maintain the COC versus buyers that do not). Due to the small number of COC certificates in the area, PF can track FSC sales according to who has COC certificates.</p> <p>In the Training section, PF’s procedures and records relevant to COC are unclear and do not address these requirements.</p> <p>PF also has an off-product use of the FSC logo on its website and in the L-A-D Foundation annual report. PF does have records to demonstrate approval for such uses of the FSC logo (see CAR 2010.1). This promotional use is not documented in the procedures.</p> <p>FME Response, March 25, 2010: We have updated our DCS to respond to SCS’ comments.</p> <p>SCS Comment, March 26, 2010: FME has clarified what “CoC information” it is to include on invoices, such as the FSC registration code and FSC claim. PF has updated its training procedures satisfactorily, and has detailed the frequency of CoC training. PF now has procedures for uses of FSC trademarks.</p> <p><i>Note:</i> At the time of the field audit, FME’s actions taken were not sufficient to warrant closure and this was raised to a Major CAR. However, on March 25, 2010, FME submitted adequate evidence to close this CAR.</p>
Disposition of CAR	This CAR is closed.

Observations

Background/Justification: The FME has not designated timber products sold as “FSC pure” on sales and transport documents and records.	
OBS 2009.1	Pioneer should ensure that products produced from FME certified lands are identified on sales documents as “FSC-pure” along with the FME’s FSC Certificate Code.

Reference	<i>COC 4; Criterion 8.3</i>
FME response	PF has included its FSC Certificate Code on invoices for FSC sales. PF has not included its FSC product claim on FSC sales. PF is still deciding on how it wants to provide its FSC information to buyers.
SCS Comment	Providing the FSC Certificate Code and FSC product claim is now required for FSC sales on invoices and shipping documents.
Disposition of OBS	Upgraded to minor CAR 2010.2 .

Background/Justification: The 2003-2007 FME Management Plan is very comprehensive, meeting the requirements of the Standard; however, the five-year inventory was completed in early 2008 and the FME is currently still working on revising the plan.	
OBS 2009.2	Pioneer should complete the revision of the plan in a timely manner and maintain an up-to-date plan to maintain compliance with the Standard.
Reference	<i>FSC Indicator 7.2.b</i>
FME response	Our management plan is still a work in progress. We recently have updated our growth and yield projections. The new plan has not been finalized and approved yet, but is still in draft form. Additionally, we have incorporated HCVF attributes in the management plan, including maps of these reserve areas.
SCS Comment	PF reviews its management plan in conjunction with its continuous forest inventory. The 2008 inventory was completed a few months before the last annual audit. PF is making progress in updating its management plan and is unlikely to miss the 10 year update as required by the standard.
Disposition of OBS	This OBS is closed .

6.1.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the audit team concludes that Pioneer Forest's management of its forestlands in the Ozark-Ouachita region continues to be in strong overall compliance with the FSC US Ozark-Ouachita Regional Standard. The audit team has concluded from this annual audit that Pioneer Forest's forest management is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as Pioneer Forest's 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 two open minor CARs and subsequent annual audits.

6.2 2010 SURVEILLANCE DECISION AND PUBLIC RECORD

6.2.1 Assessment Dates

The annual surveillance audit took place from March 18-19, 2010. The SCS auditing team spent some hours in February and March in communication with Pioneer Forest staff to conduct the certificate transfer and to secure the necessary documentation to conduct the audit. Approximately four auditor days were spent on reviewing documents and records, interviewing stakeholders, and carrying out field work.

6.2.2 Assessment Personnel

Kyle Meister, M.F. – Lead auditor, Scientific Certification Systems. Mr. Meister is a Certification Forester with Scientific Certification Systems. Recent audits include Trout Mountain Forestry, Collins Lakeview, Humboldt Redwood Company, Collins Kane Hardwood Division, Main International, S.A., Cikel Brasil Verde – Rio Capim, and Mendocino Redwood Company Resource Managers. 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 from the Yale School of Forestry and Environmental Studies. Mr. Meister has experience as an environmental educator and natural resource consultant in the U.S., Mexico, Ecuador, Costa Rica, Colombia, and Brazil. He reviews all forest management certification reports for SCS’ Latin American operations.

6.2.3 Assessment Process

The scope of the 2010 annual audit included: document review, field and office visits, interviews with management personnel and, as appropriate, with outside stakeholders. The following site visits and activities were realized:

	Type of visit	Activities & observations
March 18, 2010	Office	<ul style="list-style-type: none"> • Staff introductions and review of silvicultural system (CFI and individual tree selection) • Discussion of new L-A-D Foundation lumber marketing venture • Investments in equipment and operational budget • Blowdown salvage treatments • Monitoring paperwork & tasks • Continuing education • Response to open CARs and OBSs • Finalization of field itinerary
	Field	<ul style="list-style-type: none"> • Site 1: Sinking Creek – Cave Spring (A3114 West) <ul style="list-style-type: none"> ○ Individual tree selection harvest 2005, blowdown May 2009 ○ Utilization discussion, downed woody debris retention, grub oak seedling dynamics. ○ Pine component, frequently not cut. ○ 20 year reentry period likely leads to release of

		<ul style="list-style-type: none"> • Site 2: Section 8315 – 1/5 acre CFI plot <ul style="list-style-type: none"> ○ CFI methodology review (initiated 1952) ○ Blowdown, not likely to salvage here ○ Cut twice in past 50 years, likely ready for third entry • Site 3: Section 31712 <ul style="list-style-type: none"> ○ Salvage-blowdown harvest ○ Interview with logging crew – training is often informal and has no CPR/First AID training, although signed up for GOL (which includes CPR/First AID) ○ Relies on regular maintenance to avoid leaks and spills. • Site 4: Section 2316 (Mt. Holm Sawmill/ Cunningham’s Sink) <ul style="list-style-type: none"> ○ Completed salvage-blowdown harvest ○ Selection cut 2 yrs before blowdown ○ Not all blowdown harvested, tops left on site ○ Likely understory release of Sassafras, Hickory, Oaks, minor maple component) ○ Sink hole is protected area with Overcup Oak (Q.xxx) ○ Amphibian refuge ○ Blowdown oaks on edge extracted with cable, no equipment entry ○ Wetland delineation discussion
March 19, 2010	Field	<p>Current River Natural Area</p> <ul style="list-style-type: none"> • SAF 1955 White oak-Ozark Section protected site designated for observation and research • Past research: dendrochronology (oaks likely 300-400 years old) • PF staff visit at least once every two months • Missouri Conservation Department writes annual reports on area • Some PPF protected areas are kept confidential to protect sensitive species.
	Office	<ul style="list-style-type: none"> • Discussion of open CARs and OBSs • New information requests and review of management plan and annual report • Issuance of new CARs and OBS • Conclusion

6.2.4 Status of Corrective Action Requests

<p>Nonconformity:</p> <p>3. The FME includes safety topics in staff meetings; however, it does not have a training plan or system to identify training needs and ensure that needed training is provided. There is no evidence of documented safety procedures. The FME does not maintain records of safety training provided.</p> <p>4. FME Timber Sale Agreements do not include requirements for use of safety equipment or compliance with safety regulations by contractors.</p>	
CAR 2009.1	Pioneer shall develop and implement safety programs and procedures that include: documentation of safety procedures; safety records; and contracts with safety requirements.
Deadline	2010 Annual Audit
Reference	<i>FSC Indicator 4.2.a</i>
FME response and SCS comment	<p>FME response during annual audit: PF now maintains records of trainings, conferences, and meetings that staff members attend and has provided a list of these for 2009-2010. Training needs identified and fulfilled for new staff foresters include Game of Logging (GOL), Professional Timber Harvester Training and Fire Training and Pack Test. Training needs identified and fulfilled for all employees include regular CPR/First AID courses (copies of certification cards provided).</p> <p>We hold meetings among staff and talk about many topics, including safety and training. During these meetings, staff talks about management challenges, training needs and opportunities, and other topics. Staff also regularly engages loggers in the field to go over maps and harvest documents.</p> <p>The updated Timber Cutting Agreement, item 12, contains language that requires loggers to show proof of both liability and workers compensation insurance. Item 13 stipulates that the logger shall conduct all operations in accordance with safety standard provided under applicable law and regulation, including, without limitation, the Occupational Safety and Health Act. Item 14 requires loggers to comply with BMPs as published by the Missouri Department of Conservation and to clean up and remove any soil contaminated as a result of equipment maintenance or repairs.</p> <p>SCS Comment during annual audit: The updated contracts include safety requirements, such as requiring that loggers demonstrate compliance with OSHA standards, which in turn requires the implementation of personal protective equipment (PPE).</p>

	<p>Since PF has a small amount of staff and all of them participate in local forestry initiatives and trainings throughout the year, the monthly meetings that it holds are a satisfactory mechanism to identify and address training and safety needs.</p> <p>PF provided copies of certification cards and receipts to show evidence of attendance at trainings, which it keeps on file.</p> <p>The Employee Handbook contains the basic daily check-in and check-out protocols, which include the use radio communication for check-in, check-out, and changing locations. However, lacks documented safety procedures for emergencies, such as forest fires, wind storms, medical emergencies, and other incidents that may require rapid response in case a team member is suddenly incapacitated in the field or loses communication with the central office. What procedures does the team follow if a district field technician suddenly is not available to respond to incidents in his/her district?</p> <p>FME response March 25, 2010: We have prepared the document, <i>Pioneer Forest Safety Procedures</i>, in response to the SCS comments from the annual audit.</p> <p>SCS Comment, March 26, 2010: The document that fulfills the basic requirement of documenting safety and emergency procedures. On a daily basis, PF staff is required to check in and out using its radio communication system. In addition, PF has documented procedures for medical emergencies, wildfires, and windstorms. PF may be able to reduce its response time to emergencies by creating more robust procedures (see OBS 2010.2)</p> <p><i>Note:</i> At the time of the field audit, FME’s actions taken were not sufficient to warrant closure and this was raised to a Major CAR. However, on March 25, 2010, FME submitted adequate evidence to close this CAR.</p>
Disposition of CAR	This CAR is closed.

Nonconformity: The FME has not established documented Chain of Custody procedures.	
CAR 2009.2	Pioneer shall establish and implement documented CoC procedures to ensure effective control of forest products from standing timber

	until ownership is transferred at the forest gate, meeting requirements as stated in Appendix IV of this report [SCS note: this CAR refers to another certification body's appendix].
Deadline	2010 Annual Audit
Reference	<i>COC 1; Criterion 8.3</i>
FME response and SCS comment	<p>FME response during annual audit: The forest gate is defined as the stump; it is where we relinquish physical and financial ownership of any cut tree. We have documented procedures that cover FSC Certified Product Handling and Sales, Record Keeping, and Training. PF does not label roundwood.</p> <p>SCS comment during annual audit: What is mean by “CoC information” on the receipt that is copied and given to log buyers? This must be clarified in the procedures.</p> <p>Part 1 (c): The procedure is not complete in that it should include the product claim and certificate code on the invoice.</p> <p>Part 2 (b) – PF has decided to sell everything as FSC-certified (that is, to make no distinction on invoices between buyers who wish to maintain the COC versus buyers that do not). Due to the small number of COC certificates in the area, PF can track FSC sales according to who has COC certificates.</p> <p>In the Training section, PF’s procedures and records relevant to COC are unclear and do not address these requirements.</p> <p>PF also has an off-product use of the FSC logo on its website and in the L-A-D Foundation annual report. PF does have records to demonstrate approval for such uses of the FSC logo (see CAR 2010.1). This promotional use is not documented in the procedures.</p> <p>FME Response, March 25, 2010: We have updated our DCS to respond to SCS’ comments.</p> <p>SCS Comment, March 26, 2010: FME has clarified what “CoC information” it is to include on invoices, such as the FSC registration code and FSC claim. PF has updated its training procedures satisfactorily, and has detailed the frequency of CoC training. PF now has procedures for uses of FSC trademarks.</p> <p><i>Note:</i> At the time of the field audit, FME’s actions taken were not</p>

	sufficient to warrant closure and this was raised to a Major CAR. However, on March 25, 2010, FME submitted adequate evidence to close this CAR.
Disposition of CAR	This CAR is closed.

Observations

Background/Justification: The FME has not designated timber products sold as “FSC pure” on sales and transport documents and records.	
OBS 2009.1	Pioneer should ensure that products produced from FME certified lands are identified on sales documents as “FSC-pure” along with the FME’s FSC Certificate Code.
Reference	<i>COC 4; Criterion 8.3</i>
FME response	PF has included its FSC Certificate Code on invoices for FSC sales. PF has not included its FSC product claim on FSC sales. PF is still deciding on how it wants to provide its FSC information to buyers.
SCS Comment	Providing the FSC Certificate Code and FSC product claim is now required for FSC sales on invoices and shipping documents.
Disposition of OBS	Upgraded to minor CAR 2010.2.

Background/Justification: The 2003-2007 FME Management Plan is very comprehensive, meeting the requirements of the Standard; however, the five-year inventory was completed in early 2008 and the FME is currently still working on revising the plan.	
OBS 2009.2	Pioneer should complete the revision of the plan in a timely manner and maintain an up-to-date plan to maintain compliance with the Standard.
Reference	<i>FSC Indicator 7.2.b</i>
FME response	Our management plan is still a work in progress. We recently have updated our growth and yield projections. The new plan has not been finalized and approved yet, but is still in draft form. Additionally, we have incorporated HCVF attributes in the management plan, including maps of these reserve areas.
SCS Comment	PF reviews its management plan in conjunction with its continuous forest inventory. The 2008 inventory was completed a few months before the last annual audit. PF is making progress in updating its management plan and is unlikely to miss the 10 year update as required by the standard.
Disposition of OBS	This OBS is closed.

6.2.5 General Observations

Although Pioneer Forest has been FSC-certified for a few years and has been practicing responsible land management in the Ozark-Ouachita region for over 50 years, local markets for FSC-certified material are still nascent. However, Pioneer Forest’s individual tree selection silviculture has led to well-stocked stands with a variety of quality native species and size classes. Pioneer Forest’s parent foundation, the L-A-D Foundation, has been investigating better ways to market its forest products in a way that is consistent with Pioneer Forest’s management objectives.

Currently, the Pioneer Forest does not seem to experience any major invasive species issues and the deer population is lower than it many other places in the Eastern United States. These two factors likely play into the success of its silvicultural system. Invasive species, such as the Emerald Ash Borer (EAB), may or may not significantly affect Pioneer Forest’s ash resource. The Missouri Department of Agriculture has implemented quarantine and control measures in the only infested county and is actively pursuing outreach to landowners. Interestingly, Pioneer Forest does have some sites that contain Blue ash (*Fraxinus quadrangulata*), which in laboratory trials has proven to be more resistant to EAB. More interest in real estate from outsiders may make invasive species more of a concern in the future. Due to its various partnerships with conservation organization and state agencies, Pioneer Forest is well-situated to participate in landowner outreach and cooperative programs to address these issues.

Recent and coming changes to FSC policies and standards have made it difficult for Pioneer Forest managers to stay up to date. The more detail required for Chain-of-Custody procedures to respond to increased demand from mills and printers for FSC-certified material has happened much faster outside of the Ozark-Ouachita region. Pioneer Forest managers are up to meeting these challenges. The small, dedicated staff attends several regional trainings and workshops every year and is trying to make sure that Pioneer Forest is able to respond to changing ecological and economic conditions.

6.2.6 New Corrective Action Requests and Observations

Nonconformity: The management plan’s objectives contain reference to PF’s former certifier and the term “sustainable forestry.” Pioneer is no longer a client of its former certifier and the FSC does not allow use of the term “sustainability” in promotional claims or in conjunction with FSC trademarks. FSC recommends that certified operations use the terms “responsible forest management” or “well-managed forest.”

PF has an off-product use of the FSC logo on its website and in the L-A-D Foundation annual report. PF does have records to demonstrate approval for such uses of the FSC logo.

CAR 2010.1	In order to respect its former certifier’s trademarks, Pioneer Forest shall remove all reference to its former certifier from all management planning documents. Pioneer Forest shall cease use of the words “sustainability” and “sustainable forestry” in conjunction with FSC promotional claims or
-------------------	---

	trademarks (e.g., management plan objectives, website). Pioneer Forest shall submit all promotional uses of FSC trademarks to SCS for review and approval. PF shall keep records of these reviews and approvals for at least 5 years.
Deadline	2011 Annual Audit
Reference	<i>Page 7, FSC-TMK-50-201-V1-0 EN</i>

Nonconformity: Pioneer Forest has not designated timber products sold as “FSC pure” on sales and transport documents and records.	
CAR 2010.2	Pioneer should ensure that products produced from FME certified lands are identified on sales documents as “FSC-pure” along with the FME’s FSC Certificate Code.
Deadline	2011 Annual Audit
Reference	<i>COC 4; FSC Criterion 8.3</i>
Disposition of CAR	This CAR is closed as a result of FME’s response to Major CAR 2009.2.

Observations

Background/Justification: Pioneer Forest requires that loggers comply with OSHA standards, which do meet minimum safety guidelines for logging practices. SCS’ observations in the field indicate that formal logger education is still relatively new to the Ozark-Ouachita region and that loggers are attempting to receive such training. Logging teams interviewed have regular vehicle maintenance programs and implement proper felling techniques. That being said, it may be difficult for some loggers to access or find the relevant sections of OSHA standards related to logging practices as there is limited broadband access in the area. Loggers may benefit from supplemental guidelines that are more directly related to forestry work and cited in other FSC International Standards. Pioneer Forest’s newly created safety procedures fulfill the basic requirements of the Ozark-Ouachita standard, but could be more robust.	
OBS 2010.1	Pioneer Forest should consider adding to its library the ILO publication, <i>Safety and health in forestry work</i> (ILO. Safety and health in forestry work: An ILO code of practice Geneva, International Labour Office, 1998. ISBN 92-2-110826-0). Pioneer Forest should consider adding an annual review of its safety and emergency procedures to one of its monthly meetings for the purpose of evaluating its effectiveness and making any necessary modifications.
Reference	<i>FSC Indicator 4.2.a.</i>

6.2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that Pioneer Forest's management of its forestlands in the Ozark-Ouachita region continues to be in strong overall compliance with the Forest Stewardship Standard for the Ozark-Ouachita Region (USA) Version 6.3, December 6, 2005. The SCS audit team has concluded from this annual audit that Pioneer Forest's forest management is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as Pioneer Forest's 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 two open minor CARs and subsequent annual audits.

7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

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

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

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

The written Complaint or Appeal must:

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

Written complaints and appeals should be submitted to:

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

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