

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

**Shasta Forests
c/o W.M. Beaty & Associates, Inc.**

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

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00024N**

Submitted to:

Shasta Forests

Lead Auditor: Walter Mark, Ph.D

Date of Field Audit: August 8-11, 2005

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Updated: [October 2009 \(See Section 6.4\)](#)

Certified: September 30, 2005

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.scs-certified.com) after issue of the certificate. Section B contains more detailed results and information for the use of the Shasta Forests.

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Shasta Forests to conduct a re-certification evaluation of its forest estate, managed by W.M. Beaty & Associates, Inc. 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 2005, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 4 day field and office audit of the subject 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 Shasta Forests. 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	Shasta Forests
Contact person	Donald J. Beaty & Robert G. Rynearson
Address	P.O. Box 990898, Redding, CA 96099-0898
Telephone	(530) 243-2783
Fax	(530) 243-2900
E-mail	donb@wmbeaty.com & bohr@wmbeaty.com
Certificate Type	Multiple FMU
Number of FMU's <i>if applicable</i>	7
Number of FMUs in scope that are	
less than 100 ha in area	0
100 - 1000 ha in area	0
1000 - 10000 ha in area	6
more than 10000 ha in area	1
Location of certified forest area	
Latitude	120° 32' to 121° 56' East MDB&M
Longitude	40° 03' to 41° 40' North MDB&M
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	57,610 ha (142,353 acres)
state managed	0
community managed ²	0
Number of forest workers (including contractors) working in forest within scope of certificate	24 permanent, 10-15 seasonal
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	3,487 ha (8,617 acres)
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 forest'	4,044 ha (9,993 acres)
List of high conservation values present ³	HCV 1- Globally, regionally, or nationally significant concentrations of biodiversity values
Chemical pesticides used	Atrazine, Imazapyr, Hexazinone, 2, 4-D, Glyphosate, Triclopyr, Clopyralid

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

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

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

Total area of production forest (i.e. forest from which timber may be harvested)	54,087 ha (133,648 acres)
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0
Area of production forest regenerated primarily by replanting ⁴	5,846 ha (14,446 acres)
Area of production forest regenerated primarily by natural regeneration	119,202 ha (119,202 acres)
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>), sugar pine (<i>Pinus lambertiana</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>), lodgepole pine (<i>Pinus contorta</i>), and other conifer species
Approximate annual allowable cut (AAC) of commercial timber	24million bd ft
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.)	Sawlogs, pulp wood, and chips

1.2 Management Context

As a private commercial forest enterprise located in the State of California, management of Shasta Forests is subject to a host of local, state and federal regulations. At the federal level, the principal regulations of greatest relevance to forest managers in northeastern California are associated with the following statutes:

- Clean Water Act
- Endangered Species Act
- Archeological and Historic Preservation Act

At the state level, the principal regulations governing private commercial forest management are associated with the following statutes:

- California Environmental Quality Act of 1973
- Z' Berg-Nejedly State Forest Practices Act of 1973
- Williamson/TPZ Act
- California Endangered Species Act
- Native Plant Protection Act

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.

- Porter-Cologne Act of 1969

County and local regulations are part of the regulatory landscape but do not play a prominent role relative to state and federal regulations.

The overriding and most influencing body of regulations governing private forest land management in California are the state forest practice regulations, promulgated by the State Board of Forestry and Fire Protection and administered by the California Department of Forestry and Fire Protection (CDF). These regulations collectively require that all commercial timber harvesting must be covered by a permitting process in which the landowner (or representative) submits a *timber harvesting plan* (THP) prepared by a *registered professional forester* (RPF) to the CDF for review and approval. The review process involves the active participation (on a case-by-case basis) by other state agencies, particularly the Department of Fish and Game (DFG), the Regional Water Quality Control Board and the California Geological Survey (CGS).

Shasta Forests operates under a state-approved long-term Sustained Yield Plan (SYP), which projects timber growth and yield for the purpose of demonstrating sustainable regimes.

1.2.1 Environmental Context

A wide variety of forest types can be found in northeastern California, where Shasta Forests are located. On the dry and higher elevation Modoc Plateau, the dominant forest type is *east-side ponderosa pine* where ponderosa pine dominates in association with white fir, Jeffrey pine, incense cedar and lodgepole pine. In the southern portions of Shasta Forests that are located west of the Cascade Ridge or in the Almanor Basin (the transition zone between the southern Cascade and northern Sierra Nevada mountain ranges), the dominant forest type is *Sierran mixed conifer* which is varied mosaic of five principal commercial conifer species: ponderosa pine, sugar pine, white fir, Douglas-fir, and incense cedar. True fir forest types associated with red fir and white fir are found in the highest elevation areas of Shasta Forests. In localized cold and moist areas, lodgepole pine can be found to dominate.

Especially on the Modoc Plateau, stand replacing wildfire resulting from fuel buildup during modern fire suppression (oftentimes correlated with drought cycles) is a key factor in influencing forest conditions. Large stand replacing fire is a regular occurrence in these drier areas and there are large areas within Shasta Forests that are now occupied by young planted stands that were established after fire and resultant salvaging operations. The long term investment by Shasta Forests in reforesting these areas is testimony to the commitment of the landowners to maintaining productive commercial forests in these regions.

Over the past 100 years, the private forestlands of this region have been heavily harvested on more than one occasion. Accordingly, the landscape is dominated by mid-successional timber stands and a near complete absence of large old growth forest stands (generally, stands that were established 175-200 or more years ago). Early successional vegetation (e.g., shrubs and forbs) is prevalent in fire areas that have not been planted to pine. In areas where such planting does not occur, brush monocultures of Manzanita and *Ceanothus* species can

take over a site. As stated above, there are large areas on Shasta Forests and other ownerships that are now occupied by planted stands of younger conifers, principally ponderosa pine.

Drought and pathogenic mortality are also a part of the forest ecosystem dynamics in the region, often in correlation with wildfire. Over the past century, there have been several recorded periods of drought that have caused substantial levels of tree mortality across all species but particularly white fir in the most recent cycle. The most recent was in the late 1980's and early 1990's.

1.2.2 Socioeconomic Context

Lands owned by Shasta Forests lie primarily within four counties in northeastern California, Shasta, Plumas, Lassen, and Modoc. These counties may be characterized as resource dependent, with high levels of direct and indirect employment related to the timber industry. In response to shifting federal timber policies, forest management practices, and market fluctuations, the regional economy has experienced periods of boom and bust. Tourism is another main industry in the area, with a large portion of the economy devoted to outdoor recreation, particularly around the lakes and reservoirs of the area. Shasta Forests participates in this industry by providing an open land base and opportunity for hunting, fishing, and other outdoor activities.

1.3 Forest Management Enterprise

1.3.1 Land Use

Shasta Forests is privately owned by individuals and trusts that all are successors in interest to the founders of the precursor forest management business operations in northeastern California. The precursor operation, established by T.B. Walker, was The Red River Lumber Company that, at its peak, entailed over 800,000 acres of timberland and a large sawmill in Westwood, California. The Red River Lumber Company reached its zenith during World War II. Shortly after the war ended, the mill and the town were sold and the lands were partitioned and, in part, sold off to other business entities. Presently, the lands comprising Shasta Forests are owned by heirs of Clinton L. Walker, one of T.B. Walker's 7 sons.

Shasta Forests is managed under the professional services agreement by W. M. Beaty and Associates, Inc., a Redding, California based forest management business. W. M. Beaty and Associates has managed for the Shasta Forests ownership since its establishment in 1969, following the partition (in 1967) associated with the multi-stage break-up of former Red River Lumber Company lands.

The management of Shasta Forests is strongly oriented towards commercial timber growth and harvesting, with only limited pursuit of other commercial and non-commercial activities. After timber management, the second most important commercial activity on Shasta Forests

is cattle grazing. Most of Shasta Forests is under grazing permits awarded to various ranching concerns within the region.

Other than the Shingletown Hunting Club and Rock Creek Fishing leases, there is no commercial tourism taking place or contemplated on Shasta Forests. Limited recreational activity does take place on the forest, largely in the form of hunting and fishing by regional residents. Out of concern for problems due to fire, garbage and sanitation, no camping is permitted on the forest. Other than gravel pits to supply aggregate for road surfacing, there is no mining occurring on Shasta Forests. There are no Surface Mining and Reclamation Act (SMARA) permitted mining operations on Shasta Forests.

1.3.2 Land Outside the Scope of Certification

All land owned by Shasta Forests is under the scope of this certificate.

1.4 Management Plan

1.4.1 Management Objectives

As contained in the Shasta Forests SYP, the overall management objectives are “to provide for sustainable commercial timber production and maintain healthy forest ecosystems.” The SYP also states that another underlying objective is “to maintain a visually pleasing forest for the benefit of those who may visit and/or live and work in and around Shasta Forests.”

With regard to the timber resource, the guiding management objective is to “yield regular annual commercial timber harvests that provide a return on investment compatible with landowner needs while sustaining or increasing harvest levels and asset value over time.” This objective is dependent upon realization of the full productive potential of the forest, by assuring well-stocked vigorous stands and by capturing mortality, as well as by achieving a regulated forest structure, over time.

The stated wildlife management objectives are to maintain “habitat over time for a diversity of native wildlife species.” With regard to landscape-level or watershed-level objectives, the SYP states an objective of “long-term maintenance of healthy watersheds, including soils, water quality, riparian habitat, livestock forage, aesthetics and recreation.”

1.4.2 Forest Composition

The forestlands owned by Shasta Forests can be divided into two main forest types. The first is the east-side ponderosa pine type, with ponderosa pine dominating in association with white fir, Jeffrey pine, incense cedar and lodgepole pine. This forest type is found on dry sites and the higher elevation Modoc Plateau. The second forest type is the Sierran mixed conifer type, a varied mosaic of five principal commercial conifer species: ponderosa pine, sugar pine, white fir, Douglas-fir, and incense cedar. This type is found in the portions of

Shasta Forests that are located west of the Cascade Ridge or in the Almanor Basin (the transition zone between the Cascade and Sierra Nevada mountain ranges).

1.4.3 Silvicultural Systems

W. M. Beaty & Associates generally practices single tree selection silviculture that results in continuous forest cover. Harvest prescriptions are normally oriented towards sanitation and salvage activities designed to capture mortality and to improve the health and vigor of timber stands. As the extent of mortality and inferior trees within a stand decreases from successive entries, the harvest orientations turn more towards spacing and concentration of growth on the best phenotypes of the desired species. Unless dictated by inordinate mortality, the WBA selection harvest entries are planned to occur on 10-15 year intervals within a given stand. Under this all-aged approach, there is no explicit target age or size for the largest/oldest trees within the managed stands. Rather, trees are selected for harvest or retained on the basis of individual health, wildlife value, vigor, and spacing. The evaluation team is satisfied that this approach will maintain large and older trees perpetually throughout the managed forest landscape.

Over the past 35 years, WBA has done very little even-aged silviculture where a planned regeneration harvest occurs in healthy but mature stands. Wildfire, however, does lead to creation of new even-aged stands within Shasta Forests. Since fires in this eco-region burn hot enough to lead to total stand mortality, the general prescription after a wildfire is to salvage the merchantable dead stems, mechanically prepare the site by biomass removal of conifer stems not merchantable as sawlogs and/or by piling and/or deep row ripping where needed and feasible, treat the competing vegetation and plant a new stand.

1.4.4 Management Systems

W.M. Beaty & Associates, Inc. forest and land management activities are administered through a northern and a southern district, each under the supervision of a District Forester. Shasta Forests tracts are located within both management districts. The land base is further divided into management tracts, which serve as the basis for landscape planning under the Shasta Forests' SYP. Overall management direction is provided by the Chief Forester (Forestry Department Manager) and the General Manager, both based in Redding. Various forest management duties are also conducted by key support staff out of the main office, including inventory, long-term planning and modeling, GIS, reforestation, and wildlife management. Some field activities are performed by seasonal crews, such as marking and inventory, and others are performed by contractors, including harvesting, road maintenance, and reforestation.

Shasta Forest Management Tracts

Shasta Forest Tract	District	Total Ownership (acres)
Shasta	Northern	36,692
Pondosa	Northern	17,008

Glass Mountain	Northern	23,987
Adin/Canby	Northern	15,529
Terry	Northern	889
Spring Hill	Northern	1,505
Susanville	Southern	16,148
Westwood	Southern	20,155
Moonlight	Southern	5,975
isolated parcels	-	3,524

1.4.5 Monitoring System

W. M. Beaty & Associates, Inc. carries out a variety of monitoring programs to assess forest conditions and changes in conditions over time. Monitoring programs assess:

- Timber inventory, growth and yield through sample plots and growth modeling;
- Broad-scale inventory and habitat, including aquatic habitats
- Threatened and endangered species habitat, occupancy, and reproductive success
- Effects of harvesting operations on residual stands
- Road conditions, including stream crossings
- Efficiency of harvesting and forest management operations

The audit team determined that the forest operation is currently not in compliance with Criterion 8.5 (requiring a public summary of the results of monitoring efforts), and a corrective action request was issued in response, see section 5.2.

1.4.6 Estimate of Maximum Sustainable Yield

As described in the SYP, the maximum sustainable yield is 100,919,000 board feet per year (net Scribner). The calculation was based upon an intensive timber inventory assessment, of one plot for every 4.9 acres, resulting in 22,903 total plots. Growth and yield projections were then made using the CACTOS (California Conifer Timber Output Simulator) v5.8 individual tree growth simulator.

1.4.7 Estimated, Current and Projected Production

Average annual production (harvest) by decade for the first five decades is:

Decade 1: 32 MMBF
 Decade 2: 39 MMBF
 Decade 3: 53 MMBF
 Decade 4: 68 MMBF
 Decade 5: 68 MMBF

In every period, periodic harvest is less than periodic growth so that inventories build continuously over time. Current standing inventories are approximately 1 billion board feet. By the end of the 5th decade, standing inventories are projected to be approximately 1.5 billion board feet, a 50% increase.

The harvest is almost entirely conifer, with ponderosa pine and white fir accounting for most of the timber volume.

1.4.8 Chemical Pesticide Use

W. M. Beaty & Associates, Inc. use of single tree selection uneven-aged silviculture results in little regular pesticide use over their landscape. However, even-aged management does occur on a small percentage of their forest landscape (particularly in response to fire related salvage operations), and pesticides are used in this case to control competing weed and brush species and promote the reestablishment and growth of commercial timber species. All pesticides used were reviewed by the auditors and none are in conflict with the FSC pesticide policy as described in “Chemical Pesticides in Certified Forests, Interpretation of FSC Principles and Criteria, July 2002”. The following pesticides are used by WBA:

Atrazine

Imazapyr

Hexazinone

2, 4-D

Glyphosate

Triclopyr

Clopyralid

2.0 GUIDELINES/STANDARDS EMPLOYED

As the forest property is located in California, the certification evaluation that is the subject of this report was conducted against the duly-endorsed FSC Pacific Coast (USA) Regional Forest Stewardship Standard v9.0, 5/9/05. The standard is available at the FSC-US web site (www.fscus.org) or is available, upon request, from Scientific Certification Systems (www.scscertified.com).

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

The evaluation took place from August 8 through 11, 2005.

3.2 Assessment Team

Team Leader:

Dr. Walter R. Mark: Dr. Mark is a professor of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, Cal Poly’s FSC Certified School Forest. Dr. Mark is a consultant for Scientific Certification Systems and is responsible for the audit. Dr. Mark is a Registered Professional Forester (#1250) in California with 34 years of forestry experience in the public and higher education sectors. He has been participating for three years in audits with Scientific Certification Systems. Dr. Mark is the author of this audit report.

Dr. Michael R. Keyes: Dr. Keyes is the Senior Forestry Auditor of Scientific Certification Systems. He is a forester and forest ecologist with 23 years of professional experience in both public and private forest management issues. Dr. Keyes worked in collaboration with the World Bank's environmental programs in forestry and agroforestry. He works in SCS as a Senior Forestry Auditor and is experienced in auditing State-run forestry programs under the FSC guidelines. Dr. Keyes is also key member in SCS's developing sustainable agricultural and agroforestry programs. He has professional work experience in Indonesia, Malaysia, Colombia, Costa Rica, El Salvador, Guatemala, and México.

Brendan Grady: Brendan Grady is a staff forester with Scientific Certification Systems, focusing on the Forest Conservation Program. He received his B.S. in Forestry from the University of California, Berkeley, in 2004. His previous experience includes forestry work with the California Department of Forestry and Fire Protection and research on tropical plantations in Moorea, French Polynesia, with the Service du Developement Rurale.

Dr. Robert Hrubes – Dr. Hrubes is Senior Vice-President of Scientific Certification Systems (SCS). He is a California State Registered Professional Forester (RPF) and forest economist with 26 years of professional experience in both public and private forest management issues. Before becoming Senior Vice-President of SCS, Robert worked in collaboration with SCS to develop the programmatic protocol that guides all their Forest Conservation Program evaluations. Robert 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, Solomon Islands, New Zealand, Australia, and Japan. He also has professional work experiences in Brazil, Germany, Guam (U.S.), Hawaii (U.S.), and Malaysia. Robert is a founding member of the FSC and served on the first elected board of directors. He is a member of the FSC's Pacific Coast Working Group. He has a Ph.D. in Wildland Resource Science from the University of California, Berkeley.

Dr. Hrubes was present for the first day of the evaluation, but did not participate in the majority of the field audits or the final deliberation.

3.3 Assessment Process

3.3.1 Itinerary

The audit team was split between the Northern and Southern Districts to provide more coverage of the widely dispersed tracts of Shasta Forests. The Northern District tracts were visited on August 8 by Drs. Walter Mark and Robert Hrubes and on August 9 and 10 by Dr. Walter Mark. The Southern District tracts were visited by Dr. Michael Keyes and Brendan Grady from August 8-10. Team deliberations were held on the morning of August 11, with a closing meeting in the afternoon.

August 8 - 8 AM—Office review in Redding, general business discussions, social and environment discussions, GIS review, road management review, SYP review, inventory

update review, HCV progress and process review, and staff benefits and training opportunities.

August 8 PM —

Northern Team- Field review of the units in the Shasta Tract including: Whitmore Community Center donation, Fern Fire rehabilitation, Whitmore Fire Salvage and rehabilitation, Davis Mountain Timber Sale and Daniel Timber Sale; Dr. Mark stayed in Burney for the night.

Southern Team- Field review included primarily areas managed by another WBA client. Dr. Keyes and Mr. Grady stayed in Susanville for the night.

August 9 AM and PM —

Northern Team- Northern District Office review of field staff, annual cut history, timber sale planning, community involvement, chain of custody procedures, violations (of which none were reported on Shasta Forests), archeological site protection and consultation, property line surveys, staffing turnover and hiring plans, GIS and Access database, and annual tract inspections. Field review started on a tract owned by another client of WBA and then moved to the Adin Canby Tract for the rest of the day. Field visits in the Adin Canby Tract included the: South Fork Timber Sale, Hilton Burn Rehabilitation, Bison Fire, S & L Ranch Grazing Lease, and lands acquired from Big Valley Lumber Company. Dr. Mark once again stayed in Burney.

Southern Team- Southern District Office review of field staff, timber sale planning, long term management documents, GIS database, record keeping, etc. Field review focused on active operations and High Conservation Value Areas in the Westwood Tract and Moonlight Tract. The audit team again stayed in Susanville.

August 10 AM and PM —

Northern Team- Field review began with review of the units in the Pondosa Tract and continued in the Shasta Tract in the Shingletown area, including sites on lands under management of WBA for another client as well as the Thatcher Ranch Grazing Lease, Shasta Forest Christmas Tree block, and the Shasta Forest Cabin site, and the McCumber Flat Biomass Project. Following the site visits Dr. Mark returned to Redding for the night.

Southern Team-Field review consisted of visits to active harvesting, contractor interviews, road relocation projects, salvage operations, mistletoe rehab, wildlife trees, and special management areas in the Susanville Tract. The team returned to Redding in the evening.

August 11-

The audit team met in the WBA offices for final deliberations, scoring, initial drafting of corrective action requests and recommendations, and the closing meeting.

3.3.2 Evaluation of Management System

Three of the four offices of WBA were visited and inspected during the evaluation, including the main office in Redding and the two district offices in Hat Creek and Susanville. Plans and record keeping were reviewed in the district offices and field observations confirmed that the management system was properly implementing the management plan.

In total, the auditors interviewed most of WBA field professionals and senior management. Staff participating in the review of outstanding conditions included field foresters, two district foresters, a wildlife specialist, a GIS specialist, inventory forester, and the senior project forester.

The managers, foresters, professional specialists and field foresters interviewed during the office and field visits included Donald Beaty, Robert Rynearson, Jeffery Pudlicki, John Van Duyn, Ryan Hilburn, Peter Johnson, Robert Carey, Scott Carnegie, Chantz Joyce, Greg Bidwell, Dave Loveless, Ike Riffel, Phil Battaglia, and Len Lindstrand. The field observations also provided the opportunity to interview members of the marking crews and logging sides (contractors).

3.3.3 Selection of FMU's to Evaluate

The evaluation team split into two groups in order to better cover the two main management districts. The separation allowed the evaluation team to visit every management tract except for two (the Glass Mountain and Spring Hill tracts) which was geographically isolated. Sites were selected within the management tracts in order to view a range of land management activities, including, but not limited to, timber sales (prepared, active, and completed), archaeological sites, special management areas, road and crossing maintenance, and recreational sites.

3.3.4 Sites Visited

District	Tract	Site/Topic
Northern	Shasta	<ul style="list-style-type: none"> • Community land donation • Fuel breaks and vegetation management • Fire salvage and replanting • Selection silviculture • Active logging operations • Contractor interview • Marking guidelines • Field crew oversight • Prepared and completed timber sales • Security personnel and dumping problems • Christmas tree block • Recreational and educational facilities
Northern	Terry	<ul style="list-style-type: none"> • Biomass operations • Selection harvest • Shared road use • Boundary survey markings

Northern	Pondosa	<ul style="list-style-type: none"> • • HWY 89 widening project, new archeological site, • Contractor oversight
Northern	Adin/Canby	<ul style="list-style-type: none"> • South Fork sale-2000 timber sale, WBA's first clear-cut site • Various strategies for fire salvage and rehabilitation • Grazing lease area & spring development/protection • Restocking on recently acquired lands
Southern	Westwood	<ul style="list-style-type: none"> • Stream and meadow restoration areas • Aspen stand HCVF areas • Community use sites (Westwood cemetery) • Archeological sites and protection measures • Fuel breaks and vegetation management around urban areas
Southern	Susanville	<ul style="list-style-type: none"> • Silvicultural strategies • Planned and completed timber sales • Marking oversight • Road network management (new road design, construction, road removal, etc.) • Active harvesting operation • Contractor interviews • Wildlife protection measures • Recreation management areas
Southern	Moonlight	<ul style="list-style-type: none"> • Active harvesting operation • Archeological site protection measures • Single tree and group selection silvicultural prescription

3.3.5 Stakeholder Consultation

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

To solicit input from affected parties as to the strengths and weaknesses of W.M. Beaty & Associates' management of Shasta Forests, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon results from the previous evaluations, lists of stakeholders from WBA, and additional stakeholder contacts from other sources (e.g., FSC-US, regional professionals). The following types of groups and individuals were determined to be principal stakeholders:

- WBA employees, including headquarters and field
- Contractors
- Adjacent property owners
- Pertinent Tribal members and or representatives
- Members of the Pacific Coast FSC Working Group
- FSC International
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations
- Forest industry groups and organizations
- Purchasers of logs harvested on Shasta Forest forestlands
- Local, State, and Federal regulatory agency personnel
- User groups, such as hikers, ATV users, and others
- Other relevant groups

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

Stakeholder comments were in general quite positive, with no specific comments of instances of non-conformance to the standard. A summary of the major perspectives and concerns expressed by the stakeholders that were consulted during the course of this evaluation include:

Environmental Comments

Comment	Response
<ul style="list-style-type: none"> • WBA received the 2004 “Partnership Award” from CDF for their fuel reduction work 	Noted during team deliberation
<ul style="list-style-type: none"> • WBA has replanted in areas cleared for salvage after fires, despite this not being required under the Forest Practice Act 	Noted during team deliberation

Economic Comments

Comment	Response
<ul style="list-style-type: none"> • Contractors being shuffled from job to job and not given enough time to adequately plan operations. 	Noted during team deliberation. The audit team determined that this problem was not widespread and not entirely within the forest managers’ responsibility. As such no corrective action was warranted.

Social Comments

Comment	Response
<ul style="list-style-type: none"> Contractors and community members feel open to discussing concerns or grievances with Beaty professional staff 	Noted during team deliberation

3.4 Total Time Spent on audit

A total of seventeen auditor days were spent on the evaluation, including planning, management plan and documentation review, field evaluations, and stakeholder consultation.

3.5 Process of Determining Conformance

Consistent with SCS Forest Conservation Program evaluation protocols, for scoring purposes the team collectively assigned weights of relative importance to the Criteria within each of the ten Principles. Scores were assigned to each Criterion at the completion of the field phase and importance-weighted means (average scores) were calculated for each Principle. Scoring takes place on a 100-point scale, using a consensus process amongst all members of the evaluation team. Scores less than 80 points connote performance in which there is discernible non-conformance to the breadth of a Criterion. For any Criterion for which the team assigns a score below 80 points, the team is required to specify one or more Corrective Action Requests (CARs), also known as “conditions.” If the weighted average score of any Principle is less than 80, certification cannot be awarded and, instead, the evaluation team must stipulate one or more Major Corrective Action Requests (Major CARs), also known as “pre-conditions.” The evaluation team also retains the option to specify “discretionary CARs” even when the score for the pertinent Criterion is above 80 points. This may occur when, overall, the Criterion was highly scored but there are issues within the scope of a Criterion where important improvements are, in the judgment of the team, necessary even though these deficiencies are not severe enough to move the score below 80 for the totality of the Criterion. For certification to be awarded, the importance-weighted average score for each of the 10 FSC Principles must be 80 points or higher.

Interpretations of Preconditions (Major CARs), CARs and Recommendations

Preconditions/Major CARs: These are corrective actions that must be resolved or closed out prior to award of the certificate. These arise when the importance-weighted average score for a Principle is less than 80 points or where there is observed non-compliance with a “pre-emptive” indicator (e.g., use of GMOs is a “fatal flaw” that precludes award of certification regardless of the strength of the overall management program).

CARs: Corrective actions must be closed out within a specified time period of award of the certificate. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

Recommendations: These are suggestions that the audit team concludes would help the certificate holder 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-compliance.

4.0 RESULTS OF THE EVALUATION

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

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

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ Forest managers showed strong knowledge of laws and regulations governing their activities ▪ Entire forest estate has been certified for five years ▪ Security personnel are maintained to control illegal activities on the forest 	<ul style="list-style-type: none"> ▪ No observed weaknesses 	
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Land boundaries marked prior to harvesting operations. ▪ Deeds are kept securely at the main office. ▪ Maintain open gate policy on most of their land ▪ Maintain good relationships with the local community and 	<ul style="list-style-type: none"> ▪ No formal dispute resolution mechanism other than the courts 	

	other forest industry.		
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ Superlative protection measures have been taken to safeguard confidentiality and special sites ▪ Staff maintains relationships with local native Americans 	<ul style="list-style-type: none"> ▪ No observed weaknesses 	
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ Competitive pay scale for foresters ▪ Hire local workers, company procures equipment locally ▪ Currently have a draft safety program designed to follow OSHA regulations ▪ Adequate liability insurance is maintained for all employees and contractors 	<ul style="list-style-type: none"> ▪ Evidence of hardhats not being used on active operations by Beaty employees and some contractors ▪ No formal dispute resolution mechanism other than the courts 	
P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ Forests are managed for long-term economic viability with due diligence to environmental sustainability and careful oversight to costs. ▪ Forest harvesting is not tied to sawmill needs or fluctuations to market conditions. ▪ Non-timber uses were witnessed and include grazing leases, firewood, among other uses. ▪ Increasing silvicultural experimentation with 	<ul style="list-style-type: none"> ▪ Residual stand damage from harvesting in true fir stands may be aggravating poor forest health ▪ In some areas damaged and unsound true firs are not adequately assessed for soundness, provoking additional skidding and increasing residual stand damage. ▪ Some periods have witnessed overcutting as a result of salvage operations in wildfire areas. Even so the projected harvesting over the 10 year period is only 	

	<p>habitat improvements.</p> <ul style="list-style-type: none"> ▪ Additional byproducts include use of tops. ▪ Enhancement of wildlife resources, including fisheries is exemplary ▪ In the limited cases of over accelerated cutting the returns are invested into the land base and productive projects, such as stand rehabilitations. 	<p>slightly in excess of the predicted growth. The inclusion of all growth data and log production provides for a near balance of cut and growth. This was deemed exemplary by the audit team in view of the large salvage volumes in the period and the necessary adjustments to provide for sustainable forestry.</p>	
<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> ▪ Novel prescriptions have been developed to maintain and restore long-term ecological functioning of forest and riparian ecosystems. ▪ SYP and THPs developments address both fine and landscape-level scales. ▪ Rare and endangered plants and animals are safeguarded to the highest standard on company lands. ▪ Forest succession and regeneration is maintained over all forest tracks through mimicking of natural disturbance regimes on all stand types. ▪ Uneven-aged management is used to a high degree. ▪ Seed collections are selected from best trees and professionally handled and propagated. 	<ul style="list-style-type: none"> ▪ Differences between current and historical conditions have been assessed, but not on all stand types. ▪ Modeling has taken priority over concerted efforts to adjust stand prescriptions in response to site specific forest health and stand quality concerns. ▪ Type II stands are under-represented over the property; primarily due to harvesting practices prior to current ownership. ▪ Wildlife trees have a limited scope on the ground and are not selected in groups or aggregated, except in clearcuts. ▪ Formal assessments of representative ecosystems are not explicitly addressed in a collaborative manner. ▪ Logging damage to residual trees was deemed excessive on 	<ul style="list-style-type: none"> ▪ REC 2005.1 ▪ REC 2005.2 ▪ REC 2005.3

	<ul style="list-style-type: none"> ▪ Highest degree in protecting forest resources and community assets. ▪ Established skid trails are primarily reused to reduce soil compaction. ▪ No net decline in Type I old growth stands. ▪ Retention goals are realistic and backed up on the ground with marking rules. ▪ Managed forests have been superlatively protected and there are representative ecosystems on the landscape over multigenerational land managers. ▪ Road System Management Plan is exemplary for the forest products industry. ▪ Streams and water quality are well protected. ▪ Well trained and equipped professional applications of low-risk and lesser toxic agrochemicals are used on company lands. ▪ Innovative techniques have been evaluated for reductions in herbicide use. Early intervention on wildfire restoration has resulted in reduced quantities of herbicide. 	<p>some sites and assessments of soil compaction is often not formally considered, although ripping is utilized in site preparation where this has been determined to be present and the site allows</p> <ul style="list-style-type: none"> ▪ Some roads may be over scale and add to costs and reduce productive capacity on some sites. ▪ No evidence of a long-term strategy to reduce the reliance on chemical pesticides. 	
<p>P7: Management Plan</p>	<ul style="list-style-type: none"> ▪ Extensive management planning through the sustained yield plan ▪ Company managed lands were among the 	<ul style="list-style-type: none"> ▪ Field crews would benefit from greater oversight by professional staff. 	

	<p>first to adopt and implement the SYP approach to document the forest management plans.</p> <ul style="list-style-type: none"> ▪ Harvesting levels are adjusted annually and the SYP is reviewed every 5 years in response to wildfire events and new acquisitions. ▪ Careful selection of employees has groomed new foresters prior to full-time hiring. 		
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Industrial leader in inventory techniques and monitoring. ▪ Extensive forest inventory plot system ▪ Threatened and endangered species surveying and monitoring occurs as needed (e.g. bald eagle, willow flycatcher surveys) ▪ Chain of Custody of FSC trademark is being maintained. 	<ul style="list-style-type: none"> ▪ A summary of the results of monitoring efforts as required by the forest stewardship standard has not been prepared. ▪ Non-timber forest product harvesting occurs, but is not specifically monitored. ▪ Inventory procedures may not necessarily capture deviations from the set harvesting levels or site specific prescriptions. 	<ul style="list-style-type: none"> ▪ CAR 2005.1
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ A special management area system has been developed, designating areas of unusual conservation value, such as meadows, aspen stands, critical habitat areas, historical and archeological sites, etc. ▪ Specific measures that ensure the maintenance and/or enhancement of already designated 	<ul style="list-style-type: none"> ▪ The consultative portion of the HCVA policy development has not included a review by outside scientists and integration of solicited input into the HCVA descriptions and delineations. 	<ul style="list-style-type: none"> ▪ CAR 2005.2

	SMA's have been developed and are at highest industrial forestry standards.		
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4.2 Preconditions

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

No preconditions were placed on Shasta Forests during the initial 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 Shasta Forests be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 5.2. Shasta Forests has demonstrated that their system of management is capable of ensuring that all of the requirements of the Pacific Coast Standard are met over the forest area covered by the scope of the evaluation. Shasta Forests 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 Status of Existing CAR's and Recommendations

At the time of the 2005 re-evaluation audit, several open recommendations existed from previous evaluations.

REC 2000.4	The evaluation team recommends that Beaty foresters begin to develop methods and systematic protocols for monitoring soil quality, over time. In consultation with appropriate soil scientists, such as at the USDA Southwest Forest and Range Experiment Station, field-worthy procedures for tracking trends in soil quality should be developed, the results of which should provide adaptive feedback to silvicultural prescriptions as well as to growth and yield modeling.
Reference	Criterion 6.3
Company Action: This recommendation has been an ongoing activity. The public and private partnerships with the projects have finished monitoring their initial studies. PSW and/or WBA will continue the monitoring for long-term results.	
Status: Closed	

REC 2000.5	<p>The team recommends that W. M. Beaty & Associates continue to evaluate alternative materials in combating competitive vegetation. Overtime, a comparative analysis of alternative materials would serve as a baseline threshold to facilitate future management decisions.</p> <p>Furthermore, the team wishes to caution the staff to critically evaluate the gradual inclusion of even-age silviculture in the overall management portfolio. The team appreciates the cautious nature of the approach at this time, but wishes to advocate a continued cautious approach to this management style.</p>
Reference	Criterion 6.6
<p>Company Action: Like the previous recommendation this recommendation has been an on-going activity. Successful alternatives to herbicide use need to be documented as well as why those that were tested failed.</p> <p>Various techniques for eliminating or reducing the use of herbicides are being evaluated, such as the use of the VH Mulcher for site preparation and varied cutting techniques. WBA continues to aggressively work to rehabilitate burned areas to keep them in productive forest management. Their efforts have resulted in thousands of acres of young well-stocked plantations. Comparisons to practices on other ownerships adjacent to Shasta Forests demonstrate the importance of controlling brush competition to the success of pine establishment.</p>	
Status: Closed	

REC 2004.1	<p>Principle 9 of the Pacific Coast Standard adopted in 2002 requires the maintenance of high conservation value forests (HCVF). By the time of the re-certification audit in 2005, W. M. Beaty & Associates must develop and implement a comprehensive plan for HCVF's on the Shasta Forests.</p>
Reference	Principle 9
<p>Company Action: The audit team was presented with the document "Identification, Management, and Monitoring of Areas, Habitats, Elements, and Practices that Provide High Conservation Values", an action plan to address the HCVF requirements of the standard. This plan was a focus of the audit, with the team reviewing the plan with senior personnel and evaluating how it was being implemented on the ground. The team determined that sufficient progress was made since the previous audit to warrant closure of the recommendation. However, some concerns over the plan were raised, particularly the slow pace of designating HCVF areas and the low level of outside consultation.</p>	
Status: Closed with CAR 2005.2 and REC 2005.5 issued to address lingering non-conformances	

REC 2004.2	<p>Criterion 5.6 specifies that the rate of harvest of forest products shall not exceed levels that can be permanently sustained. Due to the large areas of forest land that has burned and been salvage logged since the certification and the development of the SYP and the acquisition of</p>
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	forest tracts, the calculations for the annual cut should be updated and made available to the audit team by the time of the re-certification audit in 2005.
Reference	Criterion 5.6
Company Action: The audit team was presented with updated harvesting guidelines, showing how future harvest rates will respond to the large-scale fires. The large scale fires have caused harvesting to exceed the yearly planned harvest volumes, but volume is still increasing overall on the ownership.	
Status: Closed	

REC 2004.3	Criterion 8.5 requires that while respecting the confidentiality of information, forest managers shall make publicly available a summary of monitoring indicators, including those listed in Criterion 8.2 upon request either at no cost or at a reasonable price. This recommendation is for WBA to consider the development of a website to provide this information in a readily available and accessible format by the time of the re-certification audit in 2005.
Reference	Criterion 8.5
Company Action: Sufficient progress was not made towards closing this recommendation, and a corrective action request was issued.	
Status: Closed replaced with CAR 2005.1	

5.3 Initial Corrective Action Requests

Background/Justification: Under the FSC standard, summaries of the management plan and monitoring results are to be made public. While management plans and policies are thoroughly described in the publicly available Sustained Yield Plan, no corollary public document exists for monitoring results.	
CAR 2005.1	A summary of the monitoring results required under criteria 8.2 and 8.5 shall be prepared and made publicly available. The summary shall be updated at least annually to reflect monitoring efforts of the previous year.
Deadline	2006 Annual Audit
Reference	FSC Criterion 8.2, 8.5

Background/Justification: High Conservation Value Forests have been identified by forest management personnel, using field observations and existing databases. However, it is unclear what level of outside consultation was used in creating the HCVF system.	
CAR 2005.2	Proposed HCVF descriptions, delineations, and management measures shall be reviewed by outside scientists and experts. The results of this consultation shall be integrated into the HCV designation process.
Deadline	2006 Annual Audit
Reference	FSC Criterion 9.2

5.4 Initial Recommendations

Background/Justification: Old growth/late successional forests are currently underrepresented on the forest landscape, and management prescriptions seem to be too controlled by the harvesting model to allow for the recruitment of such sites.	
REC 2005.1	The forest managers should look at opportunities to create late-successional/old-growth Type II stands in Eastside pine types and experiment on a limited scale with alternative silvicultural practices on other sites (i.e., white fir invaded sites).
Reference	Indicator 6.3.d.4

Background/Justification: While even-aged management units are rare on the landscape, the auditors note that not all the requirements for snag and green tree retention in the standard are being met, especially in large openings resulting from salvage operations.	
REC 2005.2	Experiment with aggregating/clumping trees and variable marking of leave trees in even-aged management units.
Reference	Indicators 6.3.e.2 and 6.3.e.5

Background/Justification: It was unclear to the auditors how much formal collaboration with outside agencies and programs went into the process of designating areas to serve as representative samples of natural forest ecosystems.	
REC 2005.3	As part of the consultative process required by CAR 2005.2, seek outside expert evaluation of the existence of representative samples of forests ecosystems in their natural state.
Reference	Indicator 6.4.a

6.0 SURVEILLANCE EVALUATIONS

6.1 2006 Annual Audit

6.1.1 Assessment Dates

The field portion of the 2006 annual audit took place on May 25-26, 2006. A total of 2.5 person-days were spent reviewing documentation, performing the field assessment, and writing the annual audit report.

6.1.2 Assessment Personnel

Dr. Robert J. Hrubes, Lead Auditor: 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. Dr. Hrubes worked in collaboration with SCS to develop the programmatic protocol that guides

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.

6.1.3 Assessment Process

The scope of the 2006 annual audit, as with all annual audits, included: document review, auditors spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders. The purposes behind these various modes of information collection were to ascertain ongoing conformance with the FSC Pacific Coast Regional Standard and to assess the adequacy of response to the open CARs.

The site visits of the 2006 surveillance audit were conducted during late May. W.M. Beaty & Associates, Inc. (WBA) personnel who participated in the audit are listed, below.

May 25, 2006

- *Opening meeting at WBA's main office in Redding, CA*
 - *Overview of recent developments with FSC (e.g., chemicals, regional standards, general governance)*
 - *Review of the two open CARs*
 - *Briefing to the lead auditor by WBA personnel on activities on Shasta Forest since the last audit (2005)*
 - *Status of SYP*
 - *Review of timber harvests completed in 2005*
 - *Finalization of the field itinerary*
- *Field visits in the Southern District (with Jeff Pudlick, District Forester, and Ryan Hilburn, staff forester)*
 - *The predominant focus of field sites visited with Jeff and Ryan were tracts within Shasta Forests (note: this audit concurrently focused on both Shasta Forests and Red River Forests, both managed under identical policies and practices by WBA - separate audit reports have been prepared)*
 - *Upper Goodrich meadow restoration*
 - *Upper Goodrich timber sale/Boot Hill Timber harvesting plan (THP)*
 - *Rice Lake THP*

May 26, 2006

- *Opening discussion with Pete Johnson, Northern District Forester, in the WBA Hat Creek field office*
 - *Review of activities in the Northern District since the last surveillance audit*
 - *Discussion about HCVF designations, led by Pete*
 - *Training of summer field crews*
- *Field visits:*
 - *Ridgeline THP*
 - *Heartwood thin*

- *Bear Station timber sale*
- *Thousand Pines timber sale*

Beaty & Associates Personnel Interviewed during the 2006 Surveillance Audit

Don Beaty	Bob Rynearson
Phil Battaglia	Bob Carey
Dave Loveless	Ike Riffle
Jeff Pudlicki	Ryan Hilburn
Pete Johnson	Ed Steward
Scott Carnegie	Mike Langstaff
Randy Zill	

6.1.4 Status of Corrective Action Requests

CAR 2005.1 (minor)	Reference: FSC Criteria 8.2, 8.5
A summary of the monitoring results required under Criteria 8.2, and 8.5 shall be prepared and made publicly available. The summary shall be updated at least annually to reflect monitoring efforts of the previous year.	
Action Taken By Company/Auditor Comments	
Beaty & Associates has struggled with the approach and content for monitoring socio-economic indicators, as is required under Criteria 8.2 and 8.5. During the opening meeting of the 2006 surveillance audit, the lead auditor provided some additional guidance and a promise was made to provide additional written guidance on social impact assessment (SIA) and monitoring. Unfortunately, WBA is still waiting for this additional guidance. As such, we conclude that an extension of the due date for this CAR is warranted, to the end of this calendar year.	
Position in the end of the 2006 surveillance audit: This CAR is being extended to December 31, 2007.	

CAR 2005.2 (minor)	Reference: FSC Criterion 9.2
Proposed HCVF descriptions, delineations, and management measures shall be reviewed by outside scientists and experts. The results of this consultation shall be integrated into the HCV designation process.	
Action Taken By Company/Auditor Comments	
In response to this CAR, WBA staff solicited four outside proposals to complete a review of the Shasta HCVF descriptions, delineations, and management prescriptions. The four experts approached were: <ul style="list-style-type: none"> • Mike Griffantini • Len Lindstrand III • Rich Klug • Dan Edge Unfortunately, all four individuals declined the invitation, for an assortment of reasons. As of the time of the 2006 surveillance audit, Bob Carey is continuing to look for another outside person with relevant expertise to conduct this review. In light of the sincere effort undertaken by WBA to respond to this CAR and considering that Shasta Forests is not likely to contain areas of notably high conservation values, we do not see the need to keep this CAR open. Accordingly, we close this CAR as part of this surveillance audit.	

Position in the end of this audit: CLOSED

Status of Recommendations

REC 2005.1	Reference: Indicator 6.3.d.4
The forest managers should look at opportunities to create late-successional/old-growth Type II stands in Eastside pine types and experiment on a limited scale with alternative silvicultural practices on other sites (i.e., white fir invaded sites).	
Action Taken By Company/Auditor Comments	
During the course of the 2-day 2006 surveillance audit, the SCS lead auditor discussed this topic with a few of the WBA foresters. It is our sense that WBA remains cognizant of the conservation and biodiversity objectives that underlie this recommendation. While we cannot say that WBA has undertaken any active responses to this recommendation, we do not believe that the current state of affairs constitutes a non-conformance with the Pacific Coast Regional Standard and, as such, we do not believe that elevation of this recommendation to a CAR is warranted.	
Position in the end of this audit: This should continue to be a topic of focus and discussion during the 2007 annual audit and subsequent audits as to ongoing efforts by WBA managers to maintain and restore greater diversity, particularly including mature forest characteristics, on Shasta Forests.	

REC 2005.2	Reference: Indicators 6.3.e.2 and 6.3.e.5
Experiment with aggregating/clumping trees and variable marking of leave trees in even-aged management units.	
Action Taken By Company/Auditor Comments	
Beaty & Associates foresters continue to demonstrate an active interest in and commitment to regularly reviewing silvicultural prescriptions and modifying them in response to experiences gained on Shasta Forests and information gathered through other pathways.	
Position in the end of this audit: To facilitate ongoing consideration of alternative leave tree approaches in even-aged management units, this recommendation is kept open.	

REC 2005.3	Reference: Indicator 6.4.a
As part of the consultative process required by CAR 2005.2, seek outside expert evaluation of the existence of representative samples of forests ecosystems in their natural state.	
Action Taken By Company/Auditor Comments	
This issue was not addressed during the 2006 surveillance audit.	
Position in the end of this audit: Carry over and include as a topic of discussion during the 2007 surveillance audit.	

6.1.5 New Corrective Action Requests and Recommendations

No new Correct Action Requests are issued as a result of this annual surveillance audit.

Recommendations:

No new recommendations are issued as a result of this annual surveillance audit.

6.1.6 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that WBA's management of Shasta Forests in Northeast, California continues to be in overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains aspects of the management program that present opportunities for further improvement relative to conformance with the FSC Pacific Coast Regional Standard, the SCS lead auditor concludes from this annual audit that management of Shasta Forests is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as forest management operations on Shasta Forests 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 remaining open CAR and subject to subsequent annual audits.

6.2 2007 Annual Audit

6.2.1 Assessment Dates

The field portion of the 2007 annual audit took place on October 25-26, 2007. A total of 3.5 auditor-days were spent reviewing documentation, performing the field assessment, and writing the annual audit report.

6.2.2 Assessment Personnel

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

6.2.3 Assessment Process

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

of information collection were to ascertain ongoing conformance with the FSC Pacific Coast Regional Standard and to assess the adequacy of response to the open CAR.

The following site visits of the 2007 surveillance audit were conducted during October 25-26, 2007 (Tracts and sites on both Shasta Forests and Red River Forests were utilized in the evaluation, since W.M. Beaty & Associates, Inc. management practices are consistent between those two certified forests):

October 25, 2007

Opening Meeting, McArthur, CA Office

- Reviewed operational activities of the previous year. Discussed historical background of ownership and management objectives of client lands.
- Discussed methods and techniques used to create and/or maintain late successional/old growth stands in eastside pine. Silvicultural techniques include methods to develop structure and create habitat for increasing numbers of wildlife species.
- Discussed other recommendations from previous assessment reports including variable retention marking and representative area assessments.

Thousand Pines Biomass Sale – (Shasta Forests)

- Most of the area was initially harvested under a 2005 THP. Minimum diameter of merchantable tree under THP was approximately 8” dib @ 32’ height or about 12” dbh. Some of the Biomass sale area included a portion of a 20 year old plantation established after the “Dana Fire”.
- Current biomass sale prescription written to remove suppressed trees in the 4-11” DBH range that were not merchantable under previous timber sale contracts.
- Prescription used species preference, % crown ratio, and Diameter plus guidelines to create spacing objectives. Forester worked closely with contractor to achieve stocking objectives.
- Objectives were to improve individual tree growth and reduce fire hazard by reducing fuel loading. On lands such as these, with low site class III-IV, thinning is critical to maintain adequate growth and stand health.
- Habitat Retention Areas (HRA) are retained within the sale area to provide habitat structure for wildlife needs such as browse, cover, and migration.
- Monitoring plots established after biomass sale and include photo monitoring to observe changes in vegetation.

Old Bear Sale – (Shasta Forests)

- Time sale marked for 2008. Light mark designed to remove 25% volume.
- Cut tree mark done by professional forestry consulting contractor
- Single tree selection prescription
- Good retention of quality growing stock and wildlife trees.

Pole Line Sale – (Shasta Forests)

- Experimental group selection area (2 acre opening) done to encourage pine and Douglas-fir regeneration.

- Ponderosa pine and Douglas-fir planted - 50/50.
- Openings were located in areas where prior stand had trees with low crown ratio (less than 20%).
- Contractor had piled (for subsequent burning by WBA) most down woody debris in the opening to reduce fire hazard because opening was near highway and power lines. Discussed need to train loggers (or piling contractors) to leave more woody debris in openings where risk of ignition is lower. Foresters are trying to develop guidelines for balancing woody debris retention with acceptable fuel loading levels.

Long Bear THP – (Shasta Forests)

- Active Timber Sale ongoing. Single tree selection prescription.
- Logging equipment in good condition.
- Tops from stroke delimeter will be chipped for biomass.
- Roads in good condition.
- Archaeology site found and protected.

Cayton Creek and Siding Sales - (Red River Forests)

- Sales completed in approximately 2002. Large trees retained.
- Very nice stand with good structure and high volume of quality trees.
- Biomass sale done after timber harvests. Good response from biomass operations. Hardwoods (multiple oaks and dogwoods) retained.

October 26, 2007

Lone Rock Fire Salvage & Rehabilitation - (Red River Forests)

- Large re-investment made to upgrade failing road to facilitate ongoing management activities. Roadbed reshaped, out sloped, rolling dips installed, and rocked. Some new culverts installed.
- Salvage operations resulting from the September, 2007 Moonlight Fire are ongoing.
- Green trees and down coarse woody debris retained. Some tops taken back into unit to maintain soil productivity.
- Numerous archeological sites located and protected.
- Plans are underway to use local seed stored in seed bank to replant.
- Foresters utilizing research and consulting with researchers @ USFS PSW Redding Research Station regarding site preparation actions.

South Camp Timber Sale - (Red River Forests)

- Large sale area using mostly single tree selection with a few group selection openings (~2 acre) installed to demonstrate group selection management techniques. Goal is to regenerate shade intolerant ponderosa pine and moderately intolerant Douglas-fir.
- Openings contained good green tree and coarse woody debris retention
- Retained trees consist of Douglas-fir and sugar pine with healthy crowns.
- Snags retained within opening.

- Watercourse protection zones in place.

Goodrich Creek / Westwood Tract – (Shasta Forests)

- New bridge installed in cooperation with CA Dept. of Fish and Game and local fishing guide.
- Fish habitat structures installed.
- Livestock exclusion fencing in place to protect banks.

Aspen Rehab site – (Shasta Forests)

- Conifers thinned around small group of aspen.
- Done in cooperation with Fish and Game and CDF to promote biodiversity.
- Getting aspen regeneration presumably from increased light

Beaty & Associates Personnel Interviewed during the 2007 Surveillance Audit

Bob Rynearson
 Scott Carnegie
 Pete Johnson
 Bob Carey
 Jeff Pudlicki

6.2.4 Status of Corrective Action Requests

CAR 2005.1 (minor)	Reference: FSC Criteria 8.2, 8.5
A summary of the monitoring results required under Criteria 8.2, and 8.5 shall be prepared and made publicly available. The summary shall be updated at least annually to reflect monitoring efforts of the previous year.	
Action Taken By Company/Auditor Comments	
Beaty & Associates has struggled with the approach and content for monitoring socio-economic indicators, as is required under Criteria 8.2 and 8.5. During the opening meeting of the 2006 surveillance audit, the lead auditor provided some additional guidance and a promise was made to provide additional written guidance on social impact assessment (SIA) and monitoring. Unfortunately, WBA is still waiting for this additional guidance. As such, we conclude that an extension of the due date for this CAR is warranted, to the end of this calendar year. Position in the end of the 2006 surveillance audit: This CAR is being extended to December 31, 2007. Annual Audit 2007: Beaty & Associates has committed to making monitoring results available to the public upon request. Further discussions revealed a plan to develop a log of comments received by stakeholders. The documented comments are intended to provide input regarding various management actions and their perceived impacts related to social concerns.	
Status: Closed with Recommendation 2007.1 issued.	

6.2.5 General Observations

It is the impression of the lead auditor that Beaty & Associates (WBA) manages the Shasta Forests with a long-term perspective that values re-investment in the ownership while maintaining ecological functioning of the forestland and establishing and maintaining socially beneficial operations. WBA foresters skillfully balance the objectives of the landowners with the environmental limitations of the given stands where they practice forest management. The audit revealed large re-investments being made in roads and other infrastructure that will facilitate long-term management and monitoring of the properties. The foresters and biologists also displayed a comprehensive grasp of professional knowledge related to the contemporary challenges of forest management. Challenges ahead for the company include transitioning from a focus on building inventory to maintaining a desired future condition. These challenges initially seem to include regeneration of desirable species while maintaining a forest structure which the landowners and adjacent communities have become accustomed. WBA foresters are in fact beginning to develop techniques, such as group selection and biomass thinning, to accomplish those objectives. WBA's continued success in meeting the owner's management objectives and standards of exemplary forest management will no doubt add important knowledge to the working body of forest management techniques practiced in northeastern California.

6.2.6 New Corrective Action Requests and Recommendations

No new Correct Action Requests are issued as a result of this annual surveillance audit.

Recommendations:

Background/Justification: Social impacts related to generation and/or maintenance of local jobs and public response to management activities must be monitored.	
REC 2007.1	Beaty & Associates should continue to improve their system for documenting public comments and input related to management decisions and their effects, both perceived and real, on the local economy and social well-being of adjacent communities.
Reference	<i>FSC Criterion 8.2.d</i>

6.2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that WBA's management of Shasta Forests in Northeast California continues to be in overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines. That is, and while there remains aspects of the management program that present opportunities for further improvement relative to conformance with the FSC Pacific Coast Regional Standard, the SCS lead auditor concludes from this annual audit that management of the Shasta Forests is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as forest

management operations on Shasta Forests 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 remaining open CAR and subject to subsequent annual audits.

6.3 2008 Annual Audit

6.3.1 Assessment Dates

The field portion of the 2008 annual audit took place on August 26-27, 2008. A total of 3.5 auditor-days were spent reviewing documentation, performing the field assessment, and writing the annual audit report.

6.3.2 Assessment Personnel

Dr. Walter R. Mark, RPF # 1250: Dr. Mark is a professor of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, the University’s FSC Certified school forest. Dr. Mark specializes in forest health and silviculture. Dr. Mark is a consultant for SCS and is responsible for the audit. Dr. Mark is a registered professional forester in California with over 35 years of forestry experience in public and private forestry and higher education sectors. He has served as audit team member and leader for several certification, recertification, scoping, and annual audits over the past several years.

6.3.3 Assessment Process

The scope of the 2008 annual audit, as with all annual audits, included: document review, auditors spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders. The purposes behind these various modes of information collection were to ascertain ongoing conformance with the FSC Pacific Coast Regional Standard and to assess the adequacy of response to any open CAR or REC.

The following site visits of the 2008 surveillance audit were conducted August 26-27, 2008 (Tracts and sites on both Shasta Forests and Red River Forests were utilized in the evaluation, since W.M. Beaty & Associates, Inc. (WBA) management practices are consistent between those two certified forests):

August 19, 2008

0800 - 1200 Opening Meeting, Redding, CA Office

The audit started off with a meeting of the audit team, Walter Mark, and Robert Rynearson and Robert Carey, the project manager and wildlife biologist, respectively, of W. M. Beaty and Associates, Inc. (WBA). The general background, purpose and objectives of the annual audit were discussed; the documentation provided and still needed was discussed, along with items to be specifically visited in the field audit. More detailed discussions included the following:

- Review of operational activities of the previous year, including the large Moonlight Fire and the impacts on operations of that fire.
- Discussion of the potential impact of the large volume removed in the Moonlight Fire Salvage and plans to adjust the allowable cut to compensate for the mature volume lost.
- Finalization of the schedule for the two-day field audit.
- Review of the standards to be utilized in the annual audit and the specific sections of Principles 3 and 6.
- Review of results of previous audits, including REC 2007.1.

Table 2.3.1.a: Day One PM Itinerary

Activities	Licensee/Contractor	Comments
Left offices in Redding to meet with WBA staff at Whitmore. Met Pete Johnson, Scott Carnegie and Darren Niles on Ponderosa Way.		
Ponderosa Way Fuel Break, Shasta Forest	NA	This is a cooperative effort with Cal Fire to maintain a shaded fuel break along Ponderosa Way. Herbicide maintenance work done along with other herbicide work in adjacent units. Chemicals used were 2, 4-D low volatile ester, under derogation for use, and glyphosate. Cal Fire does the cut, pile and burn as part of their training program
Whits End Clearcut from 2001 on the Shasta Forest	NA	The unit was planted with ponderosa pine and Douglas-fir. Good natural regeneration was also obtained. The new stand will require thinning in a few years. Following harvest there was a lot of brush and mechanical site preparation done where yield was 26 dry tons per acre. Individual oaks were retained on the site for wildlife habitat and habitat retention areas were retained in the unit around the Class III watercourse. The retention represented over 10% of the unit area, but was lower than 10% of basal area. A road closure gate which had been driven around was discussed. The gate was installed to stop wood cutting and dumping and was working for that purpose, even though a well established bypass was observed. WBA contracts a full time summer patrol to watch for illegal dumping and

		trespass.
Turkey Rim THP, done in 2000 on the Red River Forest	Unknown	The protection measures that were utilized to protect and T & I stream were examined to determine effectiveness and implementation. The break in slope was utilized and the WLPZ exceeded the minimum requirements. An HCV, the Cow Creek Type II Old Growth was observed. This stand had historical cable harvesting. The THP preceded FSC certification and the designation of T&I Streams. The prescription was called a single tree selection to slope break with group selection and shelterwood removal. The road numbering system utilized on the forest was discussed. For example the road number was 70PW50, which represents the 5 th spur road on the 7 th spur road off Ponderosa Way. This system is standard on the entire northern district. The area is scheduled for future harvesting around 2010. The prescription is undetermined at this time.
Davis Mountain THP done in 2005 on the Shasta Forest	Unknown	A selection harvest was done in 2005 and the biomass operation was currently underway on the residual stand. When the biomassing is complete, the roads, skid trails, and landings will be treated for erosion control.

Day one ended with a dinner meeting with the audit team, Bob Rynearson, Bob Carey, and Ben Folgate of WBA.

Day Two – Tuesday July 22, 2008

The second day of the audit started off with a breakfast meeting of the audit team and Bob Rynearson. Following the breakfast meeting, the audit team met with WBA staff at the Susanville Office at 7:00 am. WBA staff members at the office included Bob Rynearson, Bob Carey, Jeff Pudlicki, Ryan Hilburn, Glenn Schall, John Van Duyn, and Rob Ingalls. Discussions centered on the special treatments included in the Moonlight Salvage sale and communications with Native American contacts.

Table 2.3.1.b: Day Two Itinerary

Activities	Licensee/Contractor	Comments
Facht Ranch THP from 2007 on the Shasta Forest	Unknown	This THP was for a selection harvest and was not biomassed as part of the sale. A goshawk nest was found while marking by the marking crew and Bob Carey was called in to survey the site and work with the

		<p>layout crew to install the buffers around the nest. The mitigation measures as installed on the site were inspected and reviewed. The mitigation normally includes a 5 – 8 acre nest core area; sometimes the core area may be as larger to take advantage of natural barriers such as roads. In the core area the major trees are left and understory has some cutting. Forest health management considerations are done in the area to maintain desirable stand structure for wildlife habitat.</p>
Fuel Break THP from 2000 on the Shasta Forest	Unknown	<p>During the sale preparation work a Native American site was found. By the time the sale prep had finished, six significant sites were found. A Native American representative came out to the sale area to look at the sites, look for additional cultural resources, and review the protective measures, which was to stay totally out of the mapped areas during all operations. Trees which had already been marked in the buffer areas were blacked out and left. The foresters filed six primary records for the discovered sites.</p> <p>Continuing efforts with the Native Americans include supporting a mussel survey in Goodrich Creek.</p>
Moonlight Salvage from 2007 and 2008 on the Shasta Forest and the Red River Forest (includes four separate THP's)	Sierra Pacific Industries	<p>The remainder of the field audit visit was spent touring and reviewing the large Moonlight Salvage operations and the special considerations included in the salvage to protect the resource values. This was a large fire started on Labor Day in 2007. The final acreage was approximately 65,000 acres with about 14,000 acres of that on lands managed by WBA (1,170 acres of Shasta Forests burned and 12,700 acres on Red River Forests). Other large owners included US Forest Service and Sierra Pacific Industries.</p> <p>Some of the special actions taken for the salvage included: road work to reduce impacts of operations (including rocking</p>

		<p>approximately 17 miles of road, out sloping, rolling dips, and crossing upgrades), special winter operations guidelines for all contractors, marking snags for retention ahead of all operations (a minimum of six snags per acre were retained), retention of any large snags for high quality wildlife habitat, retention of large woody debris, use of cable yarding on steep sites, especially above Class II streams, review of all green trees for retention based on damage and survival appraisal from USFS research, special rehabilitation prescriptions for buffers by streams (50 feet on Class III and 100 feet on Class II), separate planting schedule for riparian buffer areas, and special planting considerations to provide a mix of species on appropriate sites, special spacing for sites to preclude the need of pre-commercial thinning. Use of local seed to match the site. Extensive consultation with forestry research personnel and past experience dealing with rehabilitation after wildfire. There is very little natural regeneration expected in the burn area, due to the large size and the intensity of the fire. Evaluations concluded that without salvage and planting, much of the fire area would be converted from forest to brush, resulting in extensive loss of wildlife habitat as well as reduced timber productivity. Areas with only a light under burn or young plantations that burned were excluded from the area of operation. Areas containing aspen were identified to exclude them from future herbicide treatments. Willow flycatcher habitat surveys were conducted.</p> <p>Several archeological sites were known in the burn area and protection measures for these sites were included in the operations. At the time of the fire there were four THP's that had been approved in the burn area. These plans were the basis for much of the operation with amendments filed for declarations of substantially damaged trees.</p>
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		<p>In addition to all these special considerations, the amount of the total acreage that was on the Shasta and Red River Forests was about 22% of the fire area. Other ownership management varies from no management on USFS lands and probable loss of timber productivity and wildlife habitat from that action to more intensive salvage operations on other private ownerships. The net result of this is that the 65,000 acre fire will have multiple treatments on lands in the Shasta and Red River Forests and more diverse management activities on the adjacent lands. This should provide some vegetation mosaic patterns over the large burn area.</p>
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Beaty & Associates Personnel Interviewed during the 2008 Surveillance Audit

Bob Rynearson
 Scott Carnegie
 Pete Johnson
 Darren Niles
 Bob Carey
 Jeff Pudlicki
 Ryan Hilburn
 John Van Duyn
 Ben Folgate
 Glenn Schall
 Rob Ingalls

6.3.4 Status of Corrective Action Requests

There are no open CAR and one open REC on the Shasta Forest from past audits.

Recommendations:

<p>Background/Justification: During the 2007 annual audit it was determined that the social impacts related to generation and/or maintenance of local jobs and public response to management activities must be monitored more effectively by WBA. Since the 2007 Annual Audit, WBA has implemented a system for logging public comments received and their responses to those comments. The log includes the date and source of the comment, which forest lands it involves, what THP, if</p>

any, the nature of the comment and the person and type of response or follow-up that was taken as a result of the comment. This log should be maintained by WBA in a similar manner in the future.	
REC 2007.1	Beaty & Associates should continue to improve their system for documenting public comments and input related to management decisions and their effects, both perceived and real, on the local economy and social well-being of adjacent communities.
Reference	<i>FSC Criterion 8.2.d</i>
Status	<i>This recommendation is closed</i>

6.3.5 General Observations

Beaty and Associates (WBA) continues to manage the Shasta Forests holdings in a manner that is exemplary with regard to the FSC standards for Pacific Coast Forests, the critical ecological values of the forest, and for the highly regulated State of California. WBA prepared and obtained approval for one of the first SYP's in the State and they continue to work under that long-range plan. The SYP will have to be reviewed and renewed in 2011. That process will include opportunity for public comment and review. The SYP is a public document on file with the California Department of Forestry and Fire Protection. Noteworthy in the review comments were the favorable comments from the Department of Fish and Game with regard to the protection of fishery and wildlife in the SYP. WBA was one of the first companies to hire a certified wildlife biologist to work with the forestry staff to give fish and wildlife considerations a high priority in management decisions. All of the WBA staff interviewed were professional, well trained, well versed in the issues, knowledgeable of the challenges in forest management in the future, and committed to managing the Shasta Forest for a variety of benefits in a sustainable manner.

Over the course of the past few years there have been many challenges in the forest products industry in California and the latest downturn in the housing market has added to the difficulties. The number of saw mills available for processing lumber has decreased and has had an impact on the potential buyers of logs from the Shasta Forest. The market for FSC certified pine lumber has not been well established. Wildfires have had a significant impact on the lands managed by WBA including some of those on the Shasta Forest. The owners have had a positive outlook on the expenses associated with rehabilitation of those lands and the purchase of additional forest lands to keep timberlands productive and healthy. The regulatory environment in California continues to require more documentation and the costs of doing forestry are high when compared with other states on the Pacific Coast.

In spite of the difficulties WBA continues to seek a balance among the social, economic, and environmental benefits of the forest. Some efforts like the Moonlight Fire Salvage operations may appear to be too far toward the economic side at first view. When all the work, special considerations, and the long-term benefits of the rehabilitation of the burned area are considered, it is clearly a combination of social, economic and environmental effort and benefit. The long-term benefits appear to greatly outweigh the short-term scale of the operations. When past efforts of WBA in other areas of wildfire, such as the Whitmore Fire

have been visited, the variability in resources and the concern for values other than timber are obvious.

6.3.6 New Corrective Action Requests and Recommendations

One new Corrective Action Request and one new Recommendation are issued as a result of this annual surveillance audit.

New Corrective Action Request is as follows:

Auditor Observation/Non-Conformity:
<p>During the course of the 2008 annual audit and the review of the pesticide use on the Shasta Forests, it was determined that a pesticide had been used in 2008 which is on the highly hazardous pesticides for which derogation has not been obtained. WBA was operating under the misconception that a nationwide derogation for the use of permethrin had been obtained for use in the USA. However, this derogation application was only for Oregon, and it had been denied at FSC International. Since Permethrin has been on the FSC Highly Hazardous Pesticide list since the inception of the list, derogations must be approved prior to use of the substance on an FSC certified forest. By the time of the audit, the use of Permethrin had ceased.</p> <p>In addition Shasta Forests pesticide use in 2006 included atrazine, another FSC Highly Hazardous Pesticide listed product. At the time of use in 2006, atrazine was not on the FSC banned list.</p>
CAR 2008.1:
<p>Within 30 days of receipt of the final 2008 Annual Audit, Shasta Forests/WBA must provide Scientific Certification Systems (SCS) with evidence that they have implemented procedures that ensure FSC prohibited pesticides are not used without there being an approved derogation. Any future use of Permethrin without an approved derogation would result in the suspension of the Shasta Forest/WBA certificate.</p>
Reference: FSC 6.6.a
Status at August 26, 2008:
<p>This is a new Major CAR. Shasta Forests/WBA has 30 days from receipt of final 2008 audit report to comply with the CAR.</p>

The New Recommendation is as follows:

Auditor Observation/Non-Conformity:
<p>The Audit Team observed that the current practices for the establishment of the WLPZ for Class I (Category A), Class II (Category B and C), and Class III (Category D) streams are to follow the processes described in the SYP, which in general exceed the requirements in the FPR of the State of California. During the conduct of this audit, no observation of actions in the field indicated any problems with stream protection. The WLPZ requirements vary by slope and stream class. The following table represents these</p>

requirements, as described in the FPR of the State of California and the FSC standards.

	STREAM	CLASS	(CA FPR)
SLOPE	I	II	III
<30%	75	50	25 (ELZ)
30-50%	100	75	50
>50%	150	100	50

The minimum FSC standards from 6.5.p, 6.5.q, and 6.5.r are as follows:

	STREAM	CATEGORY	(FSC STANDARD)	
	A	B	C	D
Inner Buffer	50	25	0	0
Outer Buffer	100	75	75	0
Total Buffer	150	100	75	0

The crosswalk between the FPR and FSC standards is not exact. The auditor interpretation of the crosswalk is that Class A is the equivalent of Class I, Class B and C are equivalent to Class II, and Class D is equivalent to Class III. Therefore on slopes of 50% or less for Class I and II streams the FSC required minimum buffer on Category A and B streams is larger than the CA FPR WLPZ requirement and new road construction and disturbance of mineral soil might occur within the FSC buffer or mulching and seeding of disturbed mineral soil might not take place. Since no observed issues of stream protection were observed in the annual audit or from past audits, this item has been given the status of a recommendation, to assist in the future prevention of any stream protection issues.

REC 2008.1:

By the time of the 2009 annual audit, Shasta Forests (WBA) should demonstrate that the WLPZ (buffer zone) approach to the establishment of the on the ground WLPZ protection, meets or exceeds the FSC standards for inner and outer buffer zones.

Reference: FSC 6.5.h, 6.5.o, 6.5.p, 6.5.q, and 6.5.r

Status at August 26, 2008:

This is a new Recommendation. This item will be reviewed in the annual audit in 2009.

6.3.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that WBA's management of the Shasta Forests in northeastern California continues to be in strong overall compliance with the FSC Principles and Criteria, as now further elaborated by the Pacific Coast Regional Guidelines v9.0. While there remain opportunities for further improvement relative to conformance with the FSC Pacific Coast Regional Standard, the SCS lead auditor concludes from this annual audit that management of the Shasta Forests is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as forest management operations on Shasta Forests are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted subject to subsequent annual audits.

6.4 2009 Annual Audit

6.4.1 Assessment Dates

The field portion of the 2008 annual audit took place on July 21-22, 2009. A total of 3.5 auditor-days were spent reviewing documentation, performing the field assessment, and writing the annual audit report.

6.4.2 Assessment Personnel

Dr. Walter R. Mark, RPF # 1250: Dr. Mark is a professor of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, the University's FSC Certified school forest. Dr. Mark specializes in forest health and silviculture. Dr. Mark is a consultant for SCS and is responsible for the audit. Dr. Mark is a registered professional forester in California with over 35 years of forestry experience in public and private forestry and higher education sectors. He has served as audit team member and leader for several certification, recertification, scoping, and annual audits over the past several years.

6.4.3 Assessment Process

The scope of the 2009 annual audit, as with all annual audits, included: document review, auditors spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders. The purposes behind these various modes

of information collection were to ascertain ongoing conformance with the FSC Pacific Coast Regional Standard and to assess the adequacy of response to any open CAR or REC.

The following site visits of the 2009 surveillance audit were conducted July 21-22, 2009 (Tracts and sites on both Shasta Forests and Red River Forests were utilized in the evaluation, since W.M. Beaty & Associates, Inc. (WBA) management practices are consistent between those two certified forests):

Day One - July 21, 2009 Tuesday

0800 - 1200 Opening Meeting, Redding, CA Office

The audit started off with a meeting of the audit team, Walter Mark, and Robert Rynearson and Donald Beaty, the project manager and general manager, respectively, of W. M. Beaty and Associates, Inc. We were joined later by Ike Riffel, and John Mills, the GIS Database Manager and Inventory Department Forester, respectively of WBA. The general background, purpose and objectives of the annual audit were discussed; the documentation provided and still needed was discussed, along with items to be specifically visited in the field audit. More detailed discussions included the following:

- Review of operational activities of the previous year, including continued efforts on the large Moonlight Fire, the Corral Fire of July 2008, and the impacts on operations of those fires.
- Extensive discussion on the economic conditions in the forest industry in California and the impact on Shasta Forests and WBA.
- Discussion about the upcoming renewal or alternatives under consideration for the SYP due in May 2011.
- Discussion of the potential impact of the large volume removed in the Moonlight Fire and the current efforts that are underway to model the growth and yield as part of the effort for the possible SYP renewal in 2011.
- Finalization of the schedule for the two-day field audit.
- Review of the standards to be utilized in the annual audit and the specific sections of Principles 7 and 9.
- Review of results of previous audits, including the CAR 2008.1, REC 2007.1, and REC 2008.1. Included in this discussion were comments in the 2005 recertification audit that indicated that the final selection of the HC VF attributes would be complete by 2010, CAR 2005.2 which referred to the consultative processes for HC VF, REC 2005.1 related to the establishment of Type II Old Growth stands, especially in the east-side pine type, CAR 2005.1 requiring public access to ongoing monitoring data, REC 2005.2 related to clumping and variable retention marking to increase diversity, and REC 2005.3 related to surveying for representative ecosystem presence.

Summary of Discussion Items

- Economic Conditions
 - Due to the tight economic conditions, there have been several changes in the operations of WBA, some of these include temporary pay cuts for staff, no seasonal employees, no raise package for employees, reduced 401K

- Sale activity in 2009 is still proceeding at nearly the normal level; however, the price received for stumpage sales is considerably lower than in the past. This level of sale activity is a concerted effort to keep the management activities moving forward, and to help support the local economy of the area by providing employment for contractors and a supply of wood at local mills.
- Contractor selection was done with more care this season in an attempt to hire better contractors to reduce the need for supervision by WBA staff.
- Due to the sale activity and the upcoming need to take some action to renew the SYP or follow another alternative, the work program has continued at a high level for all the staff. The loss and decision not to fill the wildlife biology position immediately is having a negative impact as well. There are plans to seek a wildlife biologist to fill that role in the near future.
- Salvage Operations
 - The Moonlight Fire of September 2007 has all been salvage logged where it is possible and approximately 6,000 acres have been replanted with rehabilitation continuing for two more years.
- Forest Management Plan
 - Mapping layers contained in the GIS Database and required as part of the FMP in Criteria 7 were discussed and confirmed with Ike Riffel.
 - Growth and Yield modeling for the upcoming management plan update, due May 2011 was discussed with John Mills. The inventory has been updated and retyping of the forest has been completed. CACTOS 4C is being utilized in the modeling efforts. The data comes from the series of permanent plots and over 20,000 inventory plots located on the forest. Data from these plots is updated following harvest or every fifteen years, whichever occurs first.
 - Burned areas are incorporated quickly into the model by setting the plots in the area to empty plots and conducting a growth and yield analysis. The current model is much easier to use for updates than the previous modeling program.

Table 2.3.1.a: Day One PM Itinerary

Activities	Licensee/Contractor	Comments
Left offices in Redding to meet with WBA staff at Pondosa Tract. Met Pete Johnson and Scott Carnegie at the Creekside THP on the Red River Forests.		
Creekside THP, Red River Forests	Timberland Logging	This is a selection logging operation. There were 7 product sorts occurring on the landing site, indicating maximization of value of the

		<p>wood. Several issues were reviewed and discussed on the sale, including: Clark Creek, which may be candidate for HCVF designation, inner gorge issues and restraint of logging in that area, Maple Creek crossing, a reworked crossing with a new pipe and revetment and the removal of a fish migration barrier, along with other crossings replaced or reworked on the sale, and discussion of REC 2008.1 and how it would come into effect on a particular landing. The McCloud Railroad right-of-way and some of the issues of what happens to the fee easement and the stream crossings that still exist, even though the rails and ties have been removed.</p> <p>Chain of custody procedures were checked with the loader operator and truckers at this sale site. Details can be found in the chain of custody discussion section 3.2 of this audit report.</p> <p>REC 2008.1, CAR 2009.1, CAR 2009.2, REC 2009.1</p>
Topside THP, Pondosa Tract, Red River Forests	NA	<p>This sale was marked for sale using a selection harvest. The area had been harvested previously and the mark this time had an emphasis on removal of dwarf mistletoe infected trees, low quality trees and white fir. Two main goals were to release advance pine regeneration and to perpetuate the stand for future harvests. There was an irrigation ditch that passed through the unit. This requires protection under the FPR in California and the required WLPZ was marked.</p>
Midway THP, Pondosa Tract, Shasta Forests	Timber Products	<p>This was a 2008 harvest near a previous wet meadow restoration project reviewed in 2008. Most of the sale area has been biomassed to remove competing understory trees. Very few complicating factors here. Just one Class III stream to deal with. Operations looked good with little to no residual stand damage observed. There was some issue with logs on landings where operations had proceeded beyond that point and revisiting and loading the few logs would have to take place. This is mostly an economic issue with the operator</p>

		and did not appear to have any significant resource issues.
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Day one ended with a conversation with Pete Johnson on the return to the vehicles and a long drive to Susanville for the night's lodging.

Day Two –July 22, 2008 Wednesday

The second day of the audit started off with a meeting of the audit team, the southern district staff, and Bob Rynearson at the Southern District Office at 7:00 am. WBA staff members at the office included Bob Rynearson, Jeff Pudlicki, Ryan Hilburn, and John Van Duyn. Ben Folgate met us in the field at the Moonlight reforestation site. Discussions centered on the southern district sale activity in the current year. They have 8 sales this season; six to Collins Pine, one to Franklin, and One holdover sale to Sierra Pacific Industries.

Table 2.3.1.b: Day Two Itinerary

Activities	Licensee/Contractor	Comments
Moonlight THP, Moonlight Tract, Red River Forests	NA	Travelled by a group selection harvest that had been done a few years ago as an example of group selection applicability to demonstrate to the owners on the annual field trip. Group selection is included as a silvicultural option on more THP's, so if opportunities exist, group selection can be applied. Limited clearcuts may also be utilized in special circumstances. An example provided would be an isolated 40 acre parcel with a history of blowdown and an existing understory of brush and white fir.
Moonlight Reforestation, Moonlight Tract, Red River Forests	NA	The reforestation effort on the first 6,000 acres of the Moonlight Salvage operating area was visited. The area visited was planted between April 15 and May 31, 2009. The success of the planting was obvious in the survival rate observed. Good late spring rains helped with the survival. The area was treated with Velpar DF with an aerial application at a rate of 3.5 lb/acre (3/4 lb active ingredient per acre). The spray was to control brush and forbs. Planting was on a 14 X 14 foot spacing. This spacing was utilized to try to avoid a pre-commercial thinning in the future. Species mix varied by site, but the general plan was to plant 35-40% Douglas-fir, 50%

		<p>pine, and 10% white and red fir. Sugar pine was planted in water course and wet areas, as well as in ash piles. This species mix is part of the plan on the forest to minimize the risk to plantations of insect loss which generally occurs mainly in relatively pure pine plantations. Douglas-fir was microsite planted to try to provide some afternoon shade behind logs or stumps. Planting is planned over three years to minimize risk of loss due to unfavorable planting conditions in a single year.</p> <p>Planting success will be monitored in September with approximately 2,000 plots to measure survival.</p> <p>Watercourses had special protection provided during herbicide applications. Class III streams had a 50 foot buffer zone and Class I and II streams had a 100 foot buffer from the aerial spray. Once the areas were planted then a 5 foot ring around the planted trees was sprayed by hand. The aerial application was supported by GIS files for the buffers and wetlands. The gps in the aircraft was able to use these georeferenced GIS files to avoid spraying in buffer areas. Files of the flight lines and spray application were provided to Beaty and Associates following completion of the project to verify protection of the buffer zones and wet areas.</p> <p>The sites will be monitored and another herbicide application may be required to successfully establish the seedlings. If required may use Velpar or Garlon, depending on the species to be controlled.</p>
<p>Eastwood THP, Moonlight Tract, Shasta Forests</p>	<p>Pew Forest Products</p>	<p>This sale was a standard selection harvest with removal of approximately 3,000 bf/Acre. The buyer was Collins Pine. This THP was adjacent to the Moonlight Fire. It was planned and approved prior to the fire. The prescription calls for selection against white fir to release larger pines and to remove dwarf mistletoe infected trees. The minimum tree size is 8 inches top diameter on a 16 foot log. Plans are to follow-up the</p>

		<p>harvest with a biomass operation to remove the smaller understory material that does not meet the minimum size requirements. Snag management on the sale calls for retention of all snags 16 dbh and at least 20 feet tall, unless the snag is a hazard tree. Residual tree damage was very minimal.</p>
<p>Humbug Valley THP, Humbug Tract, Red River Forests</p>	<p>NA</p>	<p>The plan is sold to Collins Pine for a 2009 harvest. It had been prepared for sale and was marked at the time of the site visit. The 80 acre parcel includes a significant Maidu Native American site. A buffer was agreed to around the site, without marking, to protect the values. No marking was requested by the Native American to reduce visibility of the site. A local Native American, Beverly Ogle, had been consulted on the site and the protective measures proposed. This site is under consideration for inclusion as a HCVF site. Discussion took place at this site about the potential to create Type II old growth stands on the Shasta and Red River Forests. This site has some potential for that, especially with the buffer around the cultural site. CAR 2009.2, REC 2009.1</p>
<p>Storrie Fire, Humbug Tract, Red River Forests, 2000 burn</p>	<p>NA</p>	<p>The Storrie Fire burned in 2000, was salvage logged and planted over a period of 4 years. Watercourses were planted in the first year within 6 months (herbicide restrictions in the buffers necessitate fast action), the main planting in years 2 and 3, and fill-in planting in year 4. The plantings included 7 species of conifer including, ponderosa pine, Jeffrey pine, sugar pine, Douglas-fir, white fir, red fir, and giant Sequoia. Site preparation included 2,4-D and Garlon in the early spring. The use of 2,4-D is selective for brush and forbs, but leaves grass for site protection. In areas where pine was planted relatively pure, there is an apparent problem with <i>Eucosma sonomana</i>, western pine shoot borer. A survey of the degree of infestation is planned for later this fall. The stand is approaching the time for</p>

		<p>thinning. The area is bordered by USFS lands where no action was taken following the fire. These areas have converted to brush species. At the current time the USFS plans to do some operations to try to get biomass from the old burned trees to reduce fuel loading. As part of this operation there will be some improvements done on Red River roads and an easement may be granted to eliminate a problem stretch of road and an existing easement. If that is worked out, then that old road will be decommissioned as part of the new easement agreement.</p>
<p>Progeny Trial, Humbug Tract, Red River Forests</p>	<p>NA</p>	<p>An F2 progeny trial of the Northern Sierra Tree Improvement Association was visited. This trial is located in the Storrie Fire burn area. The burn provided an opportunity for placement of this trial. Plantings in the trial took place in 2004, 2006, and 2008. This is a partnership in which Red River and Shasta Forests are partners. When the trial was visited, there were obvious <i>Eucosma sonomana</i> attacks on the trees. This constitutes a serious problem in a progeny test where performance is a critical outcome of the trial.</p> <p>The progeny trial will be surveyed prior to the annual meeting of the association and the results presented. If the association believes that control of the insect is necessary, this will cause serious concern, since the only control WBA considered effective utilizes an insecticide banned for use on FSC certified forests.</p>

The field portion of the audit was concluded with the drive back to the Susanville Offices.

Beaty & Associates Personnel Interviewed during the 2009 Surveillance Audit

Don Beaty
 Bob Rynearson
 Ike Riffel
 John Mills

Scott Carnegie
 Pete Johnson
 Jeff Pudlicki
 Ryan Hilburn
 John Van Duyn
 Ben Folgate

6.4.4 Status of Corrective Action Requests

There was one recently closed CAR that is memorialized in this report and one open REC on the Red River Forests from past audits.

CAR:

Auditor Observation/Non-Conformity:
<p>During the course of the 2008 annual audit and the review of the pesticide use on the Shasta Forests, it was determined that a pesticide had been used in 2008 which is on the highly hazardous pesticides for which derogation has not been obtained. WBA was operating under the misconception that a nationwide derogation for the use of permethrin had been obtained for use in the USA. However, this derogation application was only for Oregon, and it had been denied at FSC International. Since Permethrin has been on the FSC Highly Hazardous Pesticide list since the inception of the list, derogations must be approved prior to use of the substance on an FSC certified forest. By the time of the audit, the use of Permethrin had ceased.</p> <p>In addition Shasta Forests pesticide use in 2006 included atrazine, another FSC Highly Hazardous Pesticide listed product. At the time of use in 2006, atrazine was not on the FSC banned list.</p>
CAR 2008.1:
<p>Within 30 days of receipt of the final 2008 Annual Audit, Shasta Forests/WBA must provide Scientific Certification Systems (SCS) with evidence that they have implemented procedures that ensure FSC prohibited pesticides are not used without there being an approved derogation. Any future use of Permethrin without an approved derogation would result in the suspension of the Shasta Forest/WBA certificate.</p>
Reference: FSC 6.5.h, 6.5.o, 6.5.p, 6.5.q, and 6.5.r
Status at July 22, 2009:
<p>WBA responded to SCS within the 90 day time frame provided in the CAR with a statement of non-use of FSC banned pesticides unless derogation is approved for the use of said pesticide. If WBA decides to utilize a banned pesticide without derogation in place, they will notify SCS of the planned use prior to application. This CAR was closed in November 2008.</p>

Recommendations:

Auditor Observation/Non-Conformity:

The Audit Team observed that the current practices for the establishment of the WLPZ for Class I (Category A), Class II (Category B and C), and Class III (Category D) streams are to follow the requirements in the FPR of the State of California. These WLPZ requirements vary by slope and stream class. The following table represents these requirements:

	STREAM	CLASS	(CA FPR)
SLOPE	I	II	III
<30%	75	50	25 (ELZ)
30-50%	100	75	50
>50%	150	100	50

The minimum FSC standards from 6.5.p, 6.5.q, and 6.5.r are as follows:

	STREAM	CATEGORY	(FSC STANDARD)	
	A	B	C	D
Inner Buffer	50	25	0	0
Outer Buffer	100	75	75	0

Total Buffer	150	100	75	0
<p>Therefore on slopes of 50% or less for Class I and II streams the FSC required minimum buffer on Category A and B streams is larger than the CA FPR WLPZ requirement and new road construction and disturbance of mineral soil might occur within the FSC buffer or mulching and seeding of disturbed mineral soil might not take place.</p>				
REC2008.1:				
By the time of the 2009 annual audit, Shasta Forests (WBA) must develop a WLPZ (buffer zone) approach to the establishment of the on the ground WLPZ protection that conforms to the FSC standards for inner and outer buffer zones.				
Reference: FSC 6.5.h, 6.5.o, 6.5.p, 6.5.q, and 6.5.r				
Status at July 22, 2009:				
This was a new Recommendation in 2008. This item was not adequately addressed in WLPZ protection policies to conform to the FSC Standards; therefore, this Recommendation is closed and upgraded to CAR 2009.1.				

6.4.5 General Observations

Beaty and Associates (WBA) continues to manage the Shasta Forests holdings in a manner that is exemplary with regard to the FSC standards for Pacific Coast Forests, the critical ecological values of the forest, and for the highly regulated State of California. WBA prepared and obtained approval for one of the first SYP's in the State and they continue to work under that long-range plan. The SYP will have to be reviewed and renewed in 2011, or some other alternative will have to be prepared, reviewed and approved. That process will include opportunity for public, stakeholder, and multiple agency comment and review. The SYP is a public document on file with the California Department of Forestry and Fire Protection. Noteworthy in the review comments of the current SYP were the favorable

comments from the Department of Fish and Game with regard to the protection of fishery and wildlife. WBA was one of the first companies to hire a certified wildlife biologist to work with the forestry staff to give fish and wildlife considerations a high priority in management decisions. While that position is currently vacant, WBA understands the importance of this staff position and intends to fill it in time for the SYP review. All of the WBA staff interviewed were professional, well trained, well versed in the issues, knowledgeable of the challenges in forest management in the future, and committed to managing the Shasta Forests for a variety of benefits in a sustainable manner.

Over the course of the past few years there have been many challenges in the forest products industry in California and the continued downturn in the housing market, and resulting near collapse of the forest products market, has added to the difficulties. The number of saw mills available for processing lumber has decreased and has had an impact on the potential buyers of logs from the Shasta Forests. The market for all lumber is down, let alone the fact that the market for FSC certified pine lumber has not been well established in California. Wildfires have had a significant impact on the lands managed by WBA including some of those on the Shasta Forests. The level of sale activity this logging season is remarkable in the face of the market conditions. The continued operations have been very important to the struggling logging community and are further proof of the commitment of the owners to keeping the forest industry in California. The regulatory environment in California continues to require more documentation and the costs of doing forestry are high when compared with other states on the Pacific Coast.

In spite of the difficulties WBA continues to operate in a positive and effective manner. Reductions in staff, cuts in pay and benefits, cuts in dividends, and continued high workload have not had a serious negative impact on the staff or associates. All the staff and associates continue to have a great attitude and loyalty to the company and the Shasta Forests. When past efforts of WBA in management and rehabilitation of burned areas is reviewed, the variability in resources, the social concerns, and the value placed on resources other than timber are obvious.

6.4.6 New Corrective Action Requests and Recommendations

Three new Corrective Action Requests are issued as a result of this annual surveillance audit.

Auditor Observation/Non-Conformity:			
The Audit Team observed that the current practices for the establishment of the WLPZ for Class I (Category A), Class II (Category B and C), and Class III (Category D) streams are to follow the requirements in the FPR of the State of California. These WLPZ requirements vary by slope and stream class. The following table represents these requirements:			
	STREAM	CLASS	(CA FPR)
SLOPE	I	II	III
<30%	75	50	25 (ELZ)
30-50%	100	75	50
>50%	150	100	50

The minimum FSC standards from 6.5.p, 6.5.q, and 6.5.r are as follows:

	STREAM	CATEGORY	(FSC STANDARD)	
	A	B	C	D
Inner Buffer	50	25	0	0
Outer Buffer	100	75	75	0
Total Buffer	150	100	75	0

Therefore on slopes of 50% or less for Class I and II streams the FSC required minimum buffer on Category A and B streams is larger than the CA FPR WLPZ requirement and new road construction and disturbance of mineral soil might occur within the FSC buffer or mulching and seeding of disturbed mineral soil might not take place. This is an upgrade of REC 2008.1 to a CAR.

CAR 2009.1:

By the time of the 2010 annual audit, Shasta Forests (WBA) must develop a WLPZ (buffer zone) approach to the establishment of the on the ground WLPZ protection that conforms to the FSC standards for inner and outer buffer zones. This is an upgrade to a CAR from REC 2008.1.

Reference: FSC 6.5.h, 6.5.o, 6.5.p, 6.5.q, and 6.5.r

Status at July 22, 2009:

This is a new Minor CAR. This item will be reviewed in the recertification audit in 2010.

Auditor Observation/Non-Conformity:

In the 2005 recertification audit of the Red River Forest a notation and comment were included that indicated that the designation of HC VF attributes should be expanded by

2010. The SMA's that are currently in place provide a functional equivalent of HCVF's. However, the list of HCVF's is probably not complete with inclusion of only the SMA's. For example two sites were visited on this audit that should at least be considered as HCVF, the Native American cultural site on the Humbug Valley THP and Clark Creek on the Creekside THP. Neither of these sites has been evaluated for inclusion as an HCVF.
CAR 2009.2:
By the 2010 recertification audit WBA must nominate and gain approval for designation of the HCVF sites on the Shasta Forests. These then must be included in the SYP or other documents submitted for approval and review.
Reference: FSC 7.1.h.1, 9.1.a
Status at July 22, 2009:
This is a new minor CAR. This item will be reviewed in the recertification audit in 2010.

Auditor Observation/Non-Conformity:
During the 2007 annual audit it was determined that the social impacts related to generation and/or maintenance of local jobs and public response to management activities must be monitored more effectively by WBA. Since the 2007 Annual Audit, WBA implemented a system for logging public comments received and their responses to those comments. The log included the date and source of the comment, which forest lands it involves, what THP, if any, the nature of the comment and the person and type of response or follow-up that was taken as a result of the comment. This log was reviewed in the 2008 annual audit and it was in place and functioning. During the 2009 annual audit the auditor found that this log had not been functioning, due to changes in personnel in WBA. Therefore, this log needs to be re-established as a staff responsibility. This log should be maintained by WBA in a similar manner in the future.
CAR 2009.3:
WBA must re-establish their system for documenting public comments and input related to management decisions and their effects, both perceived and real, on the local economy and social well-being of adjacent communities.
Reference: FSC Criterion 8.2.d
Status at July 22, 2009:
This is a new minor CAR. This item will be reviewed in the recertification audit in 2010.

One new Recommendation is issued as a result of this annual surveillance audit.

Auditor Observation/Non-Conformity:
Very little Type II old growth has been designated on the Shasta Forests. Sites were visited during this annual audit that might already be Type II old growth, Clark Creek in the Creekside THP, and other sites were visited where Type II old growth stands might be created, such as in the Humbug Valley THP. Discussions took place on this subject during this annual audit. The Auditor does not believe that the current state of affairs constitutes a non-conformance with the Pacific Coast Regional Standard and, as such, we

do not believe that elevation of this recommendation to a CAR is warranted.
Recommendation 2009.1:
WBA should look at opportunities to create late-successional/old-growth Type II stands in Eastside pine types and on other appropriate sites throughout the forest. Sites that might already exist as Type II old growth and sites that should be managed to create Type II old growth should be identified on the Red River Forests.
Reference: FSC Criterion 6.3.d.4
Status at July 22, 2009:
This is a new Recommendation. This item will be reviewed in the recertification audit in 2010.

6.4.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS auditor concludes that WBA’s management of the Shasta Forests in northeastern California continues to be in strong overall compliance with the FSC Principles and Criteria, as elaborated by the Pacific Coast Regional Guidelines v9.0. While there remain opportunities for further improvement relative to conformance with the FSC Pacific Coast Regional Standard, the SCS lead auditor concludes from this annual audit that management of the Shasta Forests is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as forest management operations on Shasta Forests 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 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.