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October 25, 2007

National Forest Certification Study: Overview

In the results of a study released today, forest management practices on several National Forests were tested and found to measure up well against widely-accepted standards for sustainable forestry, although according to auditors' reports several face important conservation challenges. The findings are based on independent third-party evaluations of five National Forests, conducted as part of a two-year study by the Pinchot Institute for Conservation, an environmental policy think tank based in Washington, DC. Enclosed is an executive summary of the study results, and brief background information on forest certification. The full report and other details on the study are available at www.pinchot.org/current_projects/forest_cert/certification.

Forest management on five National Forests was evaluated against rigorous standards developed by the two major forest certification systems currently in use in the US—the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). The assessments showed that all five National Forests met or exceeded most of the basic certification requirements of the two systems, but indicated that in some instances there are problems that could affect wildlife habitat, water quality, and other key public values. These included controlling the impacts of off-road vehicle use, preventing erosion and stream sedimentation from deteriorating roads, and taking adequate measures to minimize insect and disease problems and wildfire risks.

These findings suggest that management practices on these National Forests are generally in line with existing certification standards, but that there are some significant conservation challenges that auditors attribute to limits on staffing and resources. Certification assessments often turn up problems that the resource managers themselves are already familiar with.

The Forest Service itself requested that the independent assessments be done, after reviewing the results of certification studies conducted by the Pinchot Institute on other public forest lands across the US. The FSC and SFI certification programs were originally developed to enable consumers to choose wood products from sustainably managed commercial forests. In a series of studies involving both state and tribal forest lands, the Pinchot Institute examined the potential benefits of certification for public forests, finding that the public reassurance resulting from independent assessments was far more important than any increase in market value from wood production.

Whether certification assessments will be extended to include other National Forests has yet to be determined by the Forest Service. Additional questions regarding any aspect of these studies or their results should be directed to Star Dodd at 202 797-6582 (sdodd@pinchot.org) or Allison Stewart, at (202) 205-0896 (astewart01@fs.fed.us).

EXECUTIVE OFFICE: 1616 P Street NW, Washington, DC 20036 202/797-6580 fax: 797-6583 www.pinchot.org
GREY TOWERS NATIONAL HISTORIC SITE: P O Box 949, Milford, PA 18337 570/296-9630 fax: 296-9675

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INSTITUTE BACKGROUNDER

The Pinchot Institute for Conservation is an independent, nonprofit research and education organization working to advance the conservation and sustainable management of natural resources, here in the US and around the world. The Pinchot Institute conducts policy studies on a broad range of topics relating to resource conservation and sustainable development, in partnership with universities, foundations, natural resource agencies, conservation organizations, businesses and local communities.

The Pinchot Institute was dedicated in 1963 by President John F. Kennedy at Grey Towers National Historic Landmark, the former home of early conservation leader Gifford Pinchot. In cooperation with the USDA Forest Service, the Pinchot Institute hosts numerous conferences, symposia and workshops in this historic retreat setting, bringing together leading thinkers and policymakers to craft innovative solutions to current and emerging issues in conservation. The Pinchot Institute also has offices and conference facilities in the Resources and Conservation Center located in Washington DC.

- **In accordance with the National Forest Certification Studies, current programs include:**
  - Wood-based Bioenergy and Forest Sustainability
    - Convened a national dialogue with many interest groups on how best to take advantage of opportunities provided by wood bioenergy technologies.
    - A recent session was the first of several sessions occurring throughout 2007 and 2008 which will help guide the development of wood-based bioenergy as a major energy source.
  - Ecomadera: Market Strategies for Sustainable Forestry
    - Working with partners to develop, test, and spread a new model for forest conservation and rural economic development in Ecuador.
    - The project's goal is to address both chronic rural poverty and deforestation by promoting sustainable development in forest-dependent rural communities.
  - The Bay Bank: Ecosystem markets for restoration of Chesapeake Bay forests
    - The goal is to improve the health of the Chesapeake Bay by encouraging private landowners to protect valuable open space while adopting stewardship practices that enhance water quality, protect streams, and improve ecosystem health and function.
    - Decrease pressures on landowners to convert land to development.

As one of the only environmental think-tanks in Washington, DC, the **Pinchot Institute for Conservation** hopes to influence the future of conservation and sustainable forest management.

For more information about the Institute, please contact Star Dodd at 202.797.6582 or via email at sdodd@pinchot.org.

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Contacts: Star Dodd, PIC
(202)797.6582
sdodd@pinchot.org
Allison Stewart, US Forest Service
(202)205-0896
astewart01@fs.fed.us

Pinchot Institute for Conservation to Release Results of National Forest Certification Study

Who: **Pinchot Institute for Conservation,** a 501(c)(3) non-profit organization in 1994, and today carries Pinchot's legacy of conservation leadership as a center for research and policy analysis supporting sustainable management and conservation of forests. The organization works in partnership with the Pinchot family and the Forest Service, at both the national level and at the Grey Towers National Historic Site.

What: Will release the results of a two year study conducted in partnership with the U.S. Forest Service detailing the possible use of independent, third-party certification as a means to ensure and demonstrate conservation-minded forest management.

When: October 25, 2007

Where: Independent audit teams conducted evaluations in accordance with standards developed by the Forest Stewardship Council (ESC) and the Sustainable Forestry Initiative (SFI) on five national forests:

- *Allegheny National Forest* (ANF) in Pennsylvania;
- *Lakeview Federal Stewardship Unit* (LFSU) in Oregon;
- *Chequamegon-Nicolet National Forest (CNNF)* in northern Wisconsin;
- *Mt. Hood National Forest (MHNF)* in Oregon; and,
- *National Forests in Florida (NFF).*

Why: The results released are a culmination of a 10 year series of studies to examine the potential application of national forest certification, in an effort to provide for greater public assurance. The auditors found that all five national forests were managed in an exemplary fashion yet faced some future certification challenges.

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Forest Certification and U.S. National Forests

Background Brief

Fifteen years ago, in 1992, the world gathered in Rio de Janeiro to discuss the state of the world's forests. The US Forest Service, one the oldest government agencies charged with caretaking forests, was there representing the U.S. The delegates did not establish a global convention on forests; nevertheless, the meeting helped spur a global movement led by environmental organizations, to independently "certify" whether forests are being managed sustainably. This movement resulted in the emergence of the **Forest Stewardship Council** (**FSC**) and the **Sustainable Forestry Initiative** (**SFI**), and accordingly, certification labels on wood and paper products from forests that meet their standards.

Over the last two decades, independent certification has transformed the global trade in paper, lumber, and other wood products. Certified acres have quickly expanded to an estimated 7% of forests globally, as the public and businesses are increasingly concerned about where products come from, and the condition of forests around the world. In the U.S., millions of acres of forests have been certified.

Certification was first applied to private lands, and designed as a way for consumers to feel good about the wood they purchase. Due to the benefits of the process, public lands are now becoming involved as well. Eight state forest systems in the U.S. are now certified and this certification has helped publicly prove their commitment to ecological, social, and economic values of forests. For these public lands, it has often been more about accountability than providing certified wood to the marketplace.

Also, certification labels are starting to serve other purposes in emerging markets related to climate change and bioenergy. So with the broad-scale adoption of certification by landowners of all kinds and for many purposes, the Forest Service recognizes that the question of whether National Forests could and should become certified may be considered more closely.

- How would certification improve the management of National Forests?
- Would third-party evaluation against widely-used certification standards provide greater public assurance that these forests are well managed?
- Would adding more responsibilities to the Forest Service be too expensive?

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- Would certifying lands where the Forest Service does allow a portion of harvesting help companies who need certified supply?

National Forest Certification Case Studies

Over the last two years, the Forest Service has been partnering with the Pinchot Institute for Conservation to explore and evaluate the implications of third-party auditing of several national forests using auditors and standards of the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative® (SFI).

1. This is the first time national forests have undergone this kind of comprehensive review by an external party: considering all of their plans, environmental impact assessments, performance in the field, interviews with staff, performance of contractors, interactions with stakeholders, etc. – almost everything they do to manage our national forests.

2. The review was carried out by external audit teams and based on external standards, developed by coalitions of environmental groups, forest products companies, community-groups, and scientists.

3. Unlike certification assessments on most private forests, the detailed results of each field audit are publically available.

The National Forest System (NFS) management units that were evaluated include the:

- **Allegheny National Forest** (ANF) in Pennsylvania
- **Lakeview Federal Stewardship Unit** on the Fremont-Winema National Forest (LFSU) in Oregon
- **Chequamegon-Nicolet National Forest** (CNNF) in Wisconsin
- **Mt. Hood National Forest** (MHNF) in Oregon
- **National Forests in Florida** (NFF)

The results tell a story of good overall management--addressing a wider range of values and functions of forests than anyone else even considers—however with some shortcomings that would need to be fixed if they were to seek certification.

Auditors felt the Forest Service **manages our public lands in an exemplary fashion** in many ways, including:

- Scientific assessment and monitoring of forest ecosystems, especially rare, threatened and endangered species;
- Public transparency and outreach, and relationships with First Nations; and,

- Attention to a wide range of public benefits, including recreation, species habitat, and rivers and streams.

Auditors felt there were other **aspects that need improvement**, including:

- Backlogs in road maintenance and decommissioning;
- Falling short of management goals to maintain forest health (e.g. hazardous fuel reduction, "sanitation" harvesting in areas infected with pests and pathogens, restoring forest types suitable for species of concern);
- Monitoring of non-timber forest products and terrestrial wildlife on some study national forests
- Old growth management under the Northwest Forest Plan on the Mt. Hood NF, and
- Training and safety requirements for all contractors working in the national forests.

It is expected that the Forest Service will carefully weigh the results of this study in determining whether or not to actually seek certification of National Forests under either program. The SFI certification program has expressed willingness to offer certification to National Forests that meet their requirements. The FSC certification program is has cautiously not yet made a determination, having set in 1999 a Federal Lands Policy, requiring among other things the development of a new standard, specific to the Forest Service.

More Background On Certification

North American Certification Trends

In North America, where relatively strict environmental laws shape forest practices on private and public forests, many state, tribal, provincial, and private forest owners are certifying their lands to meet the increasing global demand for certified products.

Nine of the top 10 US forest and paper product companies participate in certification – by either the *FSC* (an international process emphasizing environmental and community stewardship) or the *SFI* (a North American standard with oversight from environmental nonprofit CEOs, forest industry CEOs and scientists). Major industry players such as Potlatch, Weyerhaeuser, The Collins Companies, Plum Creek and Sierra Pacific have certified. This trend has been largely driven by the demand for certified forest products from such companies as TimeWarner, FedEx-Kinkos, Staples, Nordstrom, Costco, Sony, Starbucks, Dell, Coca Cola, Home Depot, Lowe's, Ikea and Random House Publishers.

Benefits of certification to public landowners extend far beyond providing certified wood to the marketplace. States such as North Carolina, Michigan, Maryland, Pennsylvania and Minnesota have achieved certification under FSC and/or SFI. As a result, these states attracted more support, increased administrative efficiency and improved forestry practices.

Is certification an option for federal forests?

Certification adds a new wrinkle to the debate between Congress, the Administration, and communities across the country regarding the appropriate role and use of national forests.

Some in the environmental community believe the agency places too much emphasis on timber harvesting in many of our National Forests – a few believe that the government has no business selling trees and ought to be out of the timber business entirely. Others believe that because federal forests are not part of the local tax-base, they should be managed for the economic benefit of the communities surrounding them. Most would like to see good management, without discord, that continues to provide a wide array public goods and services.

The Pinchot Institute's role in the U.S. Forest Service's certification study is to provide independent information to the agency as it considers certification of some of its forests. Actual certification of any national forest is outside the scope of this study.

This the first time NFS management has been evaluated against the FSC and SFI standards. Many are watching closely.

Recommended Contacts

USDA Forest Service

Allison Stewart, National Press Officer, USDA Forest Service; ph. 202-205-0896
Doug MacCleery, Senior Policy Analyst (case studies coordinator) ph. 202-205-1745

Pinchot Institute for Conservation

Al Sample, President; ph. 202-797-6581
Will Price, Program Director (case study coordinator); ph. 609-921-2204

FSC & SFI Certification Programs

Kathy Abusow, President and CEO; ph. 703-875-9500 (ext. 25)
Ned Daly, Acting Executive Director, FSC; ph. 202-342-0415

Certified Public Lands

***Jim Grace,** Deputy Secretary, Pennsylvania Bureau of Forestry; ph. 717-787-2703
Paul Delong, State Forester, Wisconsin DNR; ph. 608-264-9224

Others – Conservation Groups & Forest Products Companies

Eric Palola, National Wildlife Federation; ph. 802-229-0650 (ext. 305)
Wade Mosby, Collins Companies; ph. 503-417-7755 (ext. 247)
David Ford, President and CEO of Metafore, ph. 503-224-2205
Jack Hurd, The Nature Conservancy; ph. 206-459-1784
Lyn Jungwirth, Watershed Research and Training Center; ph. (530) 628-4206

CASE STUDY - EXECUTIVE SUMMARY

National Forest Certification Study

An Evaluation of the Applicability of Forest Stewardship Council (FSC) and Sustainable Forest Initiative (SFI) Standards on Five National Forests

V. Alaric Sample
Will Price
Jacob S. Donnay
Catherine M. Mater

October 22, 2007

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Foreword

V. Alaric Sample – *President*, Pinchot Institute for Conservation

Managers of public forestlands in the United States have had a tough couple of years—several decades, in fact. Once highly regarded by the general public as firefighting heroes and conservation leaders, managers of public forests starting taking heat themselves in the 1960s and 1970s over issues such as clearcutting, herbicide use, and wilderness protection. In the 1980s and 1990s, a string of lawsuits over impacts on endangered species and old-growth forests brought timber harvesting to a virtual standstill on many public forests in the US.

Some of the highest profile controversies focused on the National Forests, a century-old, 193 million acre system of federal forest reserves managed by the US Forest Service. Public trust in forest managers hit an all-time low, and there were few proposed timber harvests or other management activities that were not halted or delayed by administrative appeals and citizen lawsuits.

Meanwhile, worldwide concern over large-scale deforestation in the tropics prompted the development of programs for independent third-party certification of wood produced from sustainably managed forests. The objective was to enable consumers, especially in tropical wood-importing nations, to consciously choose wood products that would not contribute to further exploitation and unsustainable management of tropical forests. With cooperation from leaders in forest industry as well as conservation organizations, forest certification programs were developed to (1) create a list of criteria for sound forest management, (2) establish independent audit processes to determine in the field whether a given forest management enterprise is following these criteria, and (3) provide a mechanism for tracing products from a certified forest through manufacturing and distribution all the way to the consumer, so the consumer can be certain that that wood or paper product they are purchasing did indeed come from a sustainably managed forest.

This represented an important breakthrough in the contentious arena of forest conservation. No longer were forest industry and environmental activists simply locked in a legal and policy stalemate over *whether* timber harvesting could take place, but *how* it could take place while ensuring that it is ecologically sound, economically viable, and socially responsible. These developments also held out the promise of calming some of the public controversy around forest management, by providing citizens with credible assurances that the forests in question were not being overexploited, and adequate protection was being provided for forest areas of exceptional importance for conservation values such as biodiversity, wildlife habitat or water quality.

In his best selling book *Collapse: How Societies Choose to Fail or Succeed*, Pulitzer Prize-winning author Jared Diamond writes that "the essence of [certification] is that consumers can believe it, because it is not an unsubstantiated boast by the company itself but the result of an examination, against internationally accepted standards of best practice, by trained and experienced auditors who don't hesitate to say no or to impose conditions."

In 1996, the Pinchot Institute embarked on a long-term research project to see whether certification programs—originally developed to guide forest management and timber harvesting by private companies—could also help improve forest management on public lands designated to protect a wider array of natural resource and environmental values. The first major project involved the independent audit of the entire 2.1 million acre state forest system in Pennsylvania. Based on this evaluation, some important corrective actions were needed, and the necessary actions were taken. Today, Pennsylvania's state forest lands are the world's largest single body of certified forest—more than 3,000 square miles (8,400 square kilometers). More importantly, it is widely acknowledged by conservation organizations, forest industry, and state forestry agency officials themselves that these public forests are being better managed now, and much of the past legal and policy controversy has subsided.

This report describes the results of independent audits of five units of the National Forest System ranging from 500,000 to 1.5 million acres in size. This case study is the culmination of what has become a ten-year research project that ultimately involved forest certification audits on state forestlands in seven states, 30 areas of Native American tribal forestlands, and one national park. It should be noted that, in each case, the independent audits identified needs for corrective actions, and in each case these were successfully addressed by the agencies' forest managers. A general conclusion among the agencies themselves is that the reduction in costs associated with public controversy and legal challenges—not only on agency budgets but on the spirit and morale of their forest managers—more than offset the time and expense associated with the certification process.

Whether this will be true of the U.S. national forests, only time will tell. Decades of often bitter controversy are not easily forgotten or set aside. Nevertheless, there now begins what we hope will be a positive, constructive and genuinely productive national dialogue on the potential value of forest certification on public forest lands—for improving the protection and sustainable management of these lands for a variety of values and uses, and for making them models of sound forest management to guide and inspire managers of other types of forest throughout the country and around the world.

It is our hope that the results of this study and the analysis contained in the report will inform and enrich that national dialogue, and help lead to a stronger broad-based consensus on the conservation and sustainable management of America's public forests.

Executive Summary

Over the last two years the Forest Service has worked in partnership with the Pinchot Institute for Conservation to study the applicability of independent third-party certification for several national forests. This study evaluated the management of five national forest units using standards developed by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI), two major forest certification programs currently operating in the United States. The Forest Service has considered the prospect of certification for many years, and supported and encouraged the growth of certification domestically and internationally. This study is the first comprehensive in-field evaluation of national forests using FSC and SFI standards.

CERTIFICATION TRENDS IN THE U.S.

The area of forests in the U.S. certified by FSC and SFI has increased from virtually none in 1998 to over 60 million acres today.[1] These standards were first applied on private forestlands to meet the increasing global demand for certified products. Benefits of certification to public landowners extend beyond providing certified wood to the marketplace. States such as North Carolina, Michigan, Maryland, Pennsylvania and Minnesota have achieved certification under both systems. These states have reported increased public engagement, improvements in administration and ongoing improvement in forest practices as a result of certifying their forest lands.[2] Over 14 million acres of public land has been certified in the U.S., most under both the FSC and SFI systems.

CURRENT POLICY SETTING

The Forest Service, U.S. Department of Agriculture, first considered testing certification in 1997, on the Lakeview Federal Stewardship Unit, a portion of the Fremont-Winema National Forests. At that time, FSC auditors had little experience on public lands, and SFI had not yet launched a third-party certification program. Based on the questions raised both inside and outside the agency on how certification could apply to the National Forest System, the Forest Service decided to institute a policy that no national forest would seek certification for the time being. However, the policy did allow for an outside organization to independently conduct an evaluation relative to certification standards, with willing participation of a national forest.

The certification programs differ in how their policies regard the certification of national forests, and prior to this project there was little information on conflicts that may exist between the requirements of the standards, and the mandated mission of the Forest Service.

The SFI Program has no policy expressly prohibiting the application of SFI certification of federal lands--and has formally expressed willingness to certify a national forest should it be recommended based on an accredited SFI audit. The SFI Standard presently includes specific requirements for public land management organizations, which apply to any national forest.

The FSC US has a formalized Federal Lands Policy, which imposes three conditions that must be met before any federal lands can be offered certification. There first needs to be a willing landowner (1); then public consensus (2); and, finally a set of FSC standards developed specifically for the Forest Service (3). These conditions apply to any new type of

[1] Currently, 23.1 million acres have been certified to FSC standards in the U.S. and 53.7 million acres have been certified to SFI standards. About 14 million acres of public lands have been certified to both FSC and SFI standards. Much of the public land base certified by the two programs is owned and managed by state agencies. FSC website can be viewed at: www.fscus.org. The SFI website is at: http://www.sfiprogram.org.

[2] Lister, J. 2007. *The Certification of U.S. State-Owned Forestland*. Institute for Resources, Environment & Sustainability. University of British Columbia. Vancouver, B.C. 111p.

federal land management agency. To date, FSC has approved federal land standards for only the U.S. Department of Defense and the U.S. Department of Energy[3]. The three pre-conditions that must be resolved before a national forest unit can seek certification have not yet been met.

STUDY OBJECTIVES

The Pinchot Institute's decade of experience with certification study projects on public lands—many of them managed under laws, policies and land management planning processes similar to those used by the Forest Service—has helped guide the design of this case study which explores the potential applicability of certification on units of the National Forest System. The National Forest Certification Study is explicitly designed to:

1. Evaluate potential benefits and costs of third-party certification of national forests and grasslands;
2. Provide the Forest Service a better understanding of how national forest management practices align with SFI and FSC standards; and,
3. Study the lessons learned as a basis for determining what policy and management direction may be needed in the event forest certification were pursued in the future.

Actual certification by FSC or SFI *is outside* the scope of these evaluations and *was not* a possible outcome on any of the study units.

STUDY SETTING

The National Forest System (NFS) management units participating in the study were selected by the Forest Service. They considered willingness, readiness, geographic representation, and the representation of a variety of resource management issues, among other factors. Prior to the case study, the Institute performed a "crosswalk analysis" of the current management systems of six national forests, looking at the alignment of the FSC and SFI standards with statutory requirements, system-wide directives that guide operations, management planning, and other supporting documentation used by each forest. Four of the forests in the case study had participated in this initial review. The five case study forests that underwent FSC and SFI evaluations as part of this study were:

- *Allegheny National Forest* (ANF) in Pennsylvania;
- *Lakeview Federal Stewardship Unit* (LFSU) on the Fremont-Winema National Forests (LFSU) in Oregon;
- *Chequamegon-Nicolet National Forest (CNNF)* in northern Wisconsin;
- *Mt. Hood National Forest (MHNF)* in Oregon; and,
- *National Forests in Florida (NFF),* which include three national forest units managed under one forest plan. They are the Appalachicola National Forest, the Ocala National Forest, and the Osceola National Forest.

STUDY DESIGN

The case study was designed to closely approximate the process that a forest would undergo were they actually seeking certification. To this end the selected firms and audit teams were required to use the same approach they would for an actual certification assessment, as accredited by the FSC and SFI certification programs. The format of the findings was also intended to emulate actual certification reports.

The SFI evaluations used the 2005 – 2009 Sustainable Forestry Initiative Standard (SFIS). The SFIS is being widely applied on both public and private lands and has

[3] Presently there are no Department of Energy lands that have sought FSC certification.

Figure. Five National Forest System units participating in the National Forest Certification Study

requirements specific to public lands built into the standard. The five FSC evaluations for the case study employed the FSC Regional Standards for the appropriate region, the DoD/DoE National-Level Indicators, and a set of *Additional Considerations* developed specifically for this project. The regional standards used in the study included the:

- *FSC Pacific Coast (USA) Regional Forest Stewardship Standard, v9.0* - Mt. Hood NF & Lakeview Federal Stewardship Unit
- *FSC Appalachia (USA) Regional Forest Stewardship Standard, v4.6* - Allegheny NF
- *FSC Lake States-Central Hardwoods (USA) Regional Forest Stewardship Standard, v3.0* - Chequamegon-Nicolet NF
- *FSC Southeast (USA) Regional Forest Stewardship Standard* - National Forests of Florida

Pursuant to the FSC Federal Lands Policy discussed above, the FSC national standards setting body (FSC-US) would need to develop and approve an additional set of standards specific to NFS management in order to reflect a broader set of management objectives than is typically found in private forestry enterprises. As part of the study, each audit team developed Additional Considerations to be used in concert with existing FSC standards. The three FSC audit firms taking part in this study developed these supplementary indicators through a peer review and public participation process prior to each field evaluation. Findings relative to the Additional Considerations will hopefully help inform the dialogue on what additional requirements would be considered for the National Forest System. However, it is important to note that FSC-US would undergo its own separate process to develop standards specific to federal ownerships if the Forest Service were to seek certification.

FSC and SFI audit firms for each forest in the case study were chosen through a competitive bid process. Two evaluations were conducted by a joint FSC/SFI team formed by SmartWood and PricewaterhouseCoopers. Two were conducted by another joint FSC/SFI team formed by Scientific Certification Systems and NSF International Strategic Registrations (NSF-ISR). The FSC/SFI evaluation for the National Forests of Florida was conducted by SGS Systems and Services Certification, Inc.

The audit teams on each forest included five to six qualified individuals, representing a broad range of expertise. The teams typically

included a lead auditor, forester, wildlife biologist, forest ecologist, hydrologist, and a social scientist and/or economist. A portion of the team spent 2-3 days with the forest staff during an initial onsite preliminary review. Two to four months later the full team spent at least a week on the forest, conducting a broad-based management review.

A key value of this case study is the information they provide to the Forest Service, the certification programs, and other interested parties. The coordination teams for each national forest helped the Pinchot Institute better understand their experiences with the certification evaluations by completing a questionnaire and participating in follow-up interviews. The questions included an inquiry into their perspectives on the certification process, the value and scope of the audits, and type of value certification may offer national forests.

Follow-up interviews were also conducted with each lead auditor from the five participating audit firms to gather feedback on their experience. These interviews helped capture their insights on the applicability of FSC and SFI standards on national forests and the most effective manner by which the Forest Service should undergo an assessment should they wish to become certified.

FINDINGS

During the course of their review, the auditors commended the case study national forests for meeting the requirements of the FSC and SFI standards in many areas such as:

- *Forest Planning and In-field Implementation.* Auditors noted the detailed planning processes and assessments employed on each forest.
- *Stakeholder Consultation.* The way in which local communities and other affected stakeholders are apprised (e.g., presentations, email, websites, broadcast and print media, etc.) of upcoming forest management activities was described as "extensive" and "exemplary" by auditors.
- *Coordination with First Nations.* The proactive communications with local tribes has facilitated the protection and management of culturally significant sites.
- *Protection of Threatened and Endangered Species.* Auditors commended the process used by the case study forests to identify rare species presence and sensitive habitat features and incorporate this information into all phases of management activities.
- *Control of Invasives and Exotics.* The procedures to aggressively limit the introduction, impact and spread of invasive species was referred to as "outstanding" by some auditors during the certification evaluations.

Many of the non-conformances are based on the fact that the national forests are not actually seeking certification at this time and so are essentially not applicable in the context of these studies. This being the case many of programmatic or "technical" requirements were not met. These technical gaps include requirements such as statements of commitment to the programs, formal reporting to FSC and SFI, and related issues.

Other reported non-conformances related to "non-technical" aspects of sustainable management. In many cases, these "substantive" non-conformances were well known to NFS staff. In fact, the attention to the particular issue was often partially driven by the staff's own concerns expressed through the stakeholder consultation process and other phases of the project. Findings of non-conformance were also informed by the stakeholder consultation process, carried out through onsite meetings and one-on-one interviews. In total, close to 500 individuals, not including many of the NFS staff, provided

input to the auditors through the course of the five evaluations. The input from external stakeholders constituted a substantial portion of the findings reported for the FSC evaluation process. Comments from stakeholders were referenced in numerous instances--cited as evidence on relations with stakeholders and as direction to resource management issues auditors pursued in the field.

Examples of non-conformances reported for more than one unit included:

- *Old-growth protection and management issues.* All five case study national forests addressed or exceeded the old-growth requirements under the SFI standard. The FSC regional standards addressing identification of, and/or entry into, old-growth forests posed conformance issues for some participating NFS units.
- *Forest health issues arising from backlogged vegetation management activities.* Consistent delays or backlogs in meeting treatment objectives led auditors to find most case study forests falling short of their stated economic, ecological, and social goals. FSC and SFI auditors suggested the backlog in harvest treatments and persistent lack of funding has exposed forests to increased risk of disease, insect outbreaks, stand-replacing wildfires, and in some cases, being unable to provide key habitat features for certain endangered species.
- *Monitoring of non-timber forest products.* The certification evaluations determined that the management of NTFPs on each case study national forest met the requirements of the SFI standard. FSC auditors, however, found needed improvements in NTFP permitting and monitoring of removals (all units except NFF).
- *The backlog of road maintenance and decommissioning.* The road maintenance backlog is noted as a potential problem under both SFI and FSC. On all units except the NFF and CNNF there are either some or, in other cases, numerous inadequately maintained roads, many of which are no longer needed for land management.
- *Monitoring compliance with contractor worker safety requirements and training.* The NFS outlines all USFS regulations and BMPs in all timber sale contracts. This fell short of both standards' requirements as FSC and SFI auditors on all five certification evaluations failed to identify any evidence of a mechanism for evaluating and ensuring contractor training and education.

Feedback from Case Study Participants

Most of the NFS study coordinators felt that the certification evaluations provided a comprehensive review, which looked at the many integrated management activities occurring on the forest. NFS study coordinators suggested that the difference between the agency's internal audits focusing on a particular management function (e.g., timber sale program), and the more holistic integrated certification review was complementary, and could help identify potential issues needing consideration during their forest plan revision process.

NFS study coordinators also provided feedback on the comprehensiveness of the standards and the degree to which the certification programs aid in communication with stakeholders. To this end, the study coordinators agreed on the following:

- Both FSC and SFI processes explored a wide range of issues substantially affecting the sustainability of management of the participating National Forests.
- The standards cover an appropriate balance between economic, environmental and social concerns.
- The programs provide a good test of staff ability to perform their responsibilities.

- The evaluations provided opportunities for interest groups to provide input regarding the agency's commitment to sustainable forestry and identified the concerns of their stakeholders.

Coordinators also reported that the FSC and SFI evaluations provided positive, independent reinforcement of their management activities while identifying those areas where improvements are needed. In many cases, these improvements could not occur without additional funding and/or staff resources. Also, while the coordinators felt the assessment process was valuable as an opportunity to strengthen integrated management functions, most also commented on the additional demands certification could add to full workloads. Overall, participating staff recognized the value of third-parties communicating publicly on the successes and difficulties of national forest management—especially difficulties arising from factors they feel are "beyond their control."

CONCLUSION

Forest management on the case study national forests met many of the requirements of existing FSC and SFI standards. Where non-conformances were identified, Corrective Action Requests addressing performance gaps between national forest management and the certification standards may be unattainable without fixes that are at least partially addressed by the agency's Washington Office. Potential policy changes to address the auditors' suggested improvements include:

1) Develop viable strategies, and secure the necessary resources, to substantially improve the condition of overstocked stands and meet desired forest conditions.

2) Develop a strategy for reconciling the differences between the old growth provisions of the Northwest Forest plan and the FSC Pacific Coast Regional Standard.

3) Complete forest roads analyses to determine necessary transportation networks essential for management needs while identifying surplus roads ready for decommissioning. Additionally, NFS units would need to pursue strategies to maintain the needed road system to accomplish management activities.

4) Develop programs to manage and monitor the abundance, regeneration, habitat conditions and yield of NTFPs that are harvested.

5) Require contractors to participate in training or certified logger programs to ensure harvesting operations are completed safely and with the requisite skill levels.

Independent, third party certification is one of the most significant developments in the field of forest management in the last two decades. Its use has expanded dramatically with increasing interest in practical ways to ensure sustainable management practices are being used in forests throughout the world. In the U.S. millions of acres of private and public (primarily state-managed) forests have been certified over the last decade.

Certifying national forests has been debated for many years. It is a sensitive and complex issue—perhaps more so for the National Forest System than any other type of ownership in the U.S. NFS planning is exceedingly complex and management practices and objectives are closely scrutinized by both the public and U.S. Courts. This study was designed to help the Forest Service assess the value and implications of certification. We encourage the Forest Service, and any external parties interested in the management of national forests, to use this information and engage in an active dialogue on whether certification should be a next step for the agency.

PINCHOT INSTITUTE
FOR CONSERVATION

National Forest System (NFS) Certification Study

An Evaluation of the Applicability of Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) Standards on Five National Forest System Units

QUESTIONS AND ANSWERS

1. **What is forest certification?**

Forest certification is a non-regulatory, market-based means of promoting responsible forestry practices. Forest certification provides an independent third-party assurance that a forestry operation meets standards set by a certification program. Landowners apply voluntarily. Certification is focused on the forest management unit level and is often associated with eco-labeling and chain-of-custody certification for forest products removed.

While there are four certification programs operating in the U.S., the Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC) are the major programs and most suitable for large areas of public lands. The area of SFI and FSC certified forests in the U.S. has increased from virtually none in 1998 to over 60 million acres today. Over 14 million acres of primarily state-owned public land have been certified in the U.S., mostly to joint SFI/FSC standards.

2. **What work has the Forest Service undertaken so far relative to certification processes?**

The Forest Service first considered testing certification on the Lakeview Federal Stewardship Unit, a portion of the Fremont-Winema National Forests. At that time, FSC auditors had little experience on public lands, and SFI had not yet launched a third-party certification program. Based on the questions raised both inside and outside the Forest Service on how certification could apply to the National Forest System (NFS), the Forest Service decided not to pursue certification.

Over the past 15 years, the Forest Service has been approached by various outside organizations and communities about carrying out pilot tests of certification on NFS lands. Current Forest Service policy is to not seek certification. However, the Forest Service will cooperate with outside parties who wish to review management practices on national forests. In addition, the policy does allow for an outside organization to independently coordinate an evaluation relative to certification standards, with willing participation of a national forest.

The NFS Certification Study is designed to evaluate the implications of third-party certification under SFI and FSC on a number of national forests. These evaluations will

EXECUTIVE OFFICE: 1616 P Street NW, Washington, DC 20036 202/797-6580 fax: 797-6583 www.pinchot.org
GREY TOWERS NATIONAL HISTORIC SITE: P O Box 949, Milford, PA 18337 570/296-9630 fax: 296-9675

give the Forest Service information to assess the potential benefits, costs and other implications of third-party certification.

3. **On which national forests did the studies take place?**

The following management units (study units) participated in this study:

- Allegheny National Forest (PA)
- Lakeview Federal Stewardship Unit on the Fremont-Winema National Forest (OR)
- Chequamegon-Nicolet National Forest (WI)
- Mt. Hood National Forest (OR)
- National Forests in Florida

The Forest Service selected the study areas based on several criteria, including stakeholder inquiries about certification and the ready interest of forest supervisors and regional offices. It was also important that the study areas represent diverse geographical, socio-political, economic and ecological settings.

The evaluations were designed to closely approximate the process that a forest would undergo were they actually seeking certification. To this end, the selected firms and audit teams were required to use the same approach they would for an actual certification assessment, as accredited by the FSC and SFI certification programs. The format of the findings was also intended to emulate actual certification reports.

4. **Will the study lead to certification of any national forests?**

Actual certification of national forests is not the objective of this effort, and is explicitly outside the scope of the study. The study will better inform the Forest Service about the ways its current management on the national forests is and is not, consistent with the requirements of internationally recognized standards for sustainable forestry. The Forest Service has not determined whether to pursue certification. This project will inform that decision.

5. **What was the auditing process and what were auditors looking for?**

Third-party certification is based on on-site comprehensive assessments performed by firms accredited by the certification body (in this case FSC and SFI). Initially the audit team gathered and reviewed a variety of forest documents, including management plans, environmental analyses, contracting instruments, etc. Then a portion of the team spent 2-3 days with the forest staff during an initial on-site preliminary review, conduct up-front coordination with the units and then make a preliminary site visit, which is followed with a written report to the unit recommending whether it is ready to continue pursuing certification.

Two to three months later, the full team spent at least a week on the forest, conducting a broad-based management review and comprehensive assessment, which includes an evaluation of a variety of activities in the forests and whether they conform to the requirements in the certification standards. The auditors also assessed whether the unit is meeting the requirements of its own direction and management plans. The full audit teams on each forest included five or six qualified individuals, representing a broad range

of expertise. The teams typically included a lead auditor, forester, wildlife biologist, forest ecologist, hydrologist, and a social scientist and/or economist.

The evaluation also included interviews with external stakeholders, Forest Service employees, contractors, and others who are affected by, or just interested in, how the lands are managed. Through these stages, auditors pay close attention to the overall management system, including the management plan and monitoring programs, to make sure that the landowner is capable of, and committed to, tracking and maintaining healthy forests over the long-term.

A few weeks after completion of the field assessment, the auditing firm submits a draft certification report to the audited unit for comment. A final report is then completed and provided to the audited unit. FSC audits also require a peer review of the final report before it is issued. The draft and final report most often include requests for changes in management to better conform to the certification standard.

A summary of findings on all audited study units will be publicly available, as well as the report by the PIC on findings and lessons learned from the project.

6. **What audit firms were involved, how were they chosen, what specific standards and procedures did they use in evaluating the study units and how was their experience used in this study?**

Joint FSC/SFI audit firms for each of the evaluations were chosen through a competitive bid process. The Allegheny National Forest and Chequamegon-Nicolet National Forest evaluations were conducted by an audit team formed by the Rainforest Alliance's SmartWood Program and PricewaterhouseCoopers. The Lakeview Federal Stewardship Unit on the Fremont-Winema National Forest and Mt. Hood National Forest evaluations were conducted by Scientific Certification Systems and NSF International Strategic Registrations. The National Forests in Florida evaluation was conducted by SGS Systems and Services Certification, Inc.

Each NFS study unit was evaluated using both SFI and FSC standards. The SFI evaluations used the 2005–2009 Sustainable Forestry Initiative Standard (SFIS). The FSC evaluations for the five management units employed an integrated standard that included the FSC Regional Standards for the appropriate region, the DOD/DOE National-Level Indicators, and Additional Considerations (see discussion, next question). The regional standards used in the study included the:

- FSC Pacific Coast (USA) Regional Forest Stewardship Standard, v9.0 - Mt. Hood National Forest and Lakeview Federal Stewardship Unit on the Fremont-Winema National Forest

- FSC Appalachia (USA) Regional Forest Stewardship Standard, v4.6 - Allegheny National Forest

- FSC Lake States-Central Hardwoods (USA) Regional Forest Stewardship Standard, v3.0 - Chequamegon-Nicolet National Forest

- FSC Southeast (USA) Regional Forest Stewardship Standard - National Forests in Florida

A key value of these evaluations is the information they provide to the Forest Service, the certification programs, and other interested parties. PIC interviewed those involved in the certification evaluations in order to capture additional lessons learned from participants' experience. The coordination teams (Forest Service staff) for each national forest completed a questionnaire and participated in follow-up interviews in order to better understand the forests' experience with the certification evaluations. This post-evaluation included an inquiry into their perspectives on the certification process, the value and scope of the evaluations, and type of value certification may offer to the forests.

Follow-up interviews were also conducted with each lead auditor from the six participating audit firms to gather feedback on their experience. These interviews helped capture their insights on the applicability of FSC and SFI standards on national forests and the most effective manner by which the Forest Service should undergo an assessment should they wish to become certified.
PIC incorporates everything in their study report, which is available at: http://www.fs.fed.us/projects/.

7. **If the Forest Service were to seek certification of NFS lands, what process would need to be followed?**

While the Forest Service has not decided whether it will seek certification, if it were to do so, several things would need to happen. The certification programs themselves would need to make policy decisions if the Forest Service asked to become certified. Members of the Sustainable Forestry Board, and SFI program participants in general, have no standing policy expressly prohibiting the application of SFI certification of federal lands. However, SFI would likely want to consider how certain elements of the standard are applied.

FSC has imposed several conditions that must be met before any federal lands can be offered certification. There needs to be: (1) a willing landowner; (2) public consensus; and, (3) a set of standards for each new federal land type. To date, FSC has approved federal land standards for only the U.S. Department of Defense and the U.S. Department of Energy. The three pre-conditions that must be resolved before a national forest unit can seek certification have not yet been met.

Pursuant to the FSC Federal Lands Policy, FSC would need to develop and approve a separate set of standards specific to NFS management. As part of the study, each audit team developed Additional Considerations (ACs) for FSC certification of NFS lands. It is intended that the ACs developed as part of this study could inform the process that will need to be completed by FSC- US. The AC development as part of this study does not assume the role of FSC-US in developing duly approved indicators specific to the Forest Service.

The ACs developed by the three FSC audit firms taking part in this study went through a peer review and public participation process prior to each field evaluation. Each of the five national forest certification evaluation reports outline conformance to the existing FSC standards include Corrective Action Requests (CARs) for findings of non-conformance. However, CARs were not reported for the ACs, as these do not represent requirements within existing standards and, in that sense, are speculative.

A landowner seeking SFI or FSC certification must formally commit to reporting and management measures specific to each certification program. How and whether the Forest Service could make these commitments would need to be determined.

8. **What role did/will external stakeholders play?**

There were opportunities for public involvement as part of the evaluations, so anyone interested was able to both learn more about the certification process in each study area, and comment on the management of the national forests.

Formal public involvement occurred in several ways. First, in order to match the requirements of the FSC Federal Lands Policy, the selected audit team was required to conduct stakeholder consultation. Another stage of consultation occurred through one or several meetings local to the forest, as is typical of FSC certification assessments. Both of these processes were coordinated by the auditors.

The public will also be given an opportunity to review and comment on the overall report on the findings and lessons learned prepared by the PIC.

9. **What were some of the findings of the certification evaluations?**

All certification evaluations have been conducted as functional equivalents of major, broad-based management reviews of all aspects of national forest management. The draft FSC and SFI reports delivered to the five national forest units, read like other certification reports. They include a summary of the management setting, stakeholder feedback, findings of non-conformance (major and minor), and issuance of CARs.

The units evaluated meet or exceed many SFI and FSC certification requirements. However, certification under either certification scheme would not be a forgone conclusion for the Forest Service. These reports describe a number of non-conformances and gaps between national forest management activities and the standards and requirements of the certification programs. The certification programs also review how well a landowner meets their own internal policies and standards in addition to certification standards. Consequently, some of the identified non-conformances address areas where the national forest unit may be falling short of the Forest Service's own stated goals.

Some CARs were specific to only one management unit. Others showed up consistently on several units. Major and minor CARs showing on more than one unit included those related to inadequacies in: 1) addressing the backlog of road maintenance (inadequate

road maintenance and decommissioning), 2) adequately monitoring of non-wood forest products and wildlife, 3) addressing forest health and insect and disease problems, 4) old-growth protection and management issues, and 5) monitoring compliance with contractor worker safety requirements and training.

Most CARs specify a timeline for resolution. Often the CARs will establish benchmarks for progress on issues that are difficult to address within a year or two.

10. **What do Corrective Action Requests (CARs) require?**
The CARs proposed by the FSC and SFI auditors are associated with a timeline. Major CARs must be resolved before certification can be offered—they are pre-conditions for certification. An auditor can also determine that major CARs can be downgraded to minor CARs, provided that the issue is partially addressed and there is a plan for full resolution. In the past, minor CARs could be scheduled for resolution over the five years until the re-audit. The new accreditation guidelines for FSC restrict the time allowed to satisfy minor CARs to one year. So all CARs, whether FSC or SFI, issued as part of the study, would in a real certification, need to be addressed either prior to becoming certified or in the first year.

11. **Does becoming certified mean increasing focus on producing and marketing wood products?**
No. Landowners seeking certification do so with policies, management objectives, and systems already in place. Certification programs assess whether these policies and their implementation are consistent with standards for sustainable forest management. In some cases, certification has required the landowner to decrease the amount of harvesting in order to protect certain areas of the forest, or to better assure long-term sustainability. In other cases, certifiers have suggested to landowners that they make their wood products offerings more consistent and/or more equitably distributed in order to better support local businesses and also maintain the health of the forest resource. However, the purpose and extent of harvesting timber and other products is a decision the landowner must make according to the processes to which they are bound (e.g., corporate board, tribal council, public process)

The Forest Service has legislatively mandated processes for determining the amount of forest products harvested. Pursuing certification would not exempt the agency from meeting these mandates. The type and amount of harvesting taking place in each of the study areas differs. A major goal of this study is to help the Forest Service better understand what sort of changes might be required in order to become certified, and whether these could be addressed through the process by which the Forest Service makes decisions.

Furthermore, certification is meant to address forest management as a whole, including relevant and significant non-timber forest uses, resources, and impacts. Forest uses, resources and impacts which may be relevant include, in addition to timber management, non-timber forest product (NTFP) harvest, resource restoration, biodiversity protection and restoration, watershed protection and water quality restoration, roadless area and

wilderness conservation, fire fuels management, grazing, mineral and oil exploration and extraction, development of water storage and distribution facilities, motorized recreation, other recreation, and other development.

12. **Is certification compatible with ecological restoration?**
Yes. Certification is designed to assure the public that a landowner is following a given set of standards that promote sound forest stewardship, including ecological restoration. Certification requirements seek to integrate ecological, socio-cultural, and economic sustainability objectives in managing for healthy and resilient landscapes.

13. **Why do these certification evaluations need to be a study and not a complete certification process? If the forests do well in their evaluations, will they become certified?**
For many reasons, detailed in response to other questions, the degree of applicability and value of FSC and SFI certification for the NFS remains uncertain. The Forest Service has a wider range of capacities and obligations than any other land management organization. As such, both the certification programs and the Forest Service need to learn more about how certification would function in this setting. Some of the types of questions that will be answered include:

- What is the nature of the value certification can offer to the NFS (e.g., proof, management improvements, and parity with other public lands—national and international)?
- What are the barriers (technical, legal, philosophical, external-political, etc.)?
- How can certification dovetail with other tools/priorities?
- In what ways is current Forest Service management on the national forests consistent and not consistent with the requirements for certification?

14. **Will this study affect current policy issues on national forests?**
These evaluations cannot change current policy decisions, legal cases, or other issues facing the Forest Service nor does it exempt the agency from meeting legislative mandates or executive orders. The study is exploratory. However, as would occur in a real certification assessment, the auditors will consider any and all policies and practices and what they imply for conformance to certification standards. As a side benefit for the management units participating in the study, the evaluation provides an independent evaluation that could be used to help improve the quality of its management.

15. Why did the study utilize only two of the four certification programs? Does the Forest Service endorse SFI or FSC?
Of the four certification programs—American Tree Farm System, FSC, Green Tag, and SFI—FSC and SFI are the two major, internationally recognized, programs operating in the U.S. The Tree Farm and Green Tag certification programs are designed for smaller, typically non-industrial private, forest landowners and so do not meet the needs of NFS lands.