PINCHOT INSTITUTE
FOR CONSERVATION

National Forest Certification Case Studies

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

Final Report submitted to the USDA Forest Service

September 28, 2007

[Excerpt]

i. Foreword

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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. These case studies are 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.

ii. Acknowledgements

The Pinchot Institute project team would like to express our gratitude to all the individuals who participated in these National Forest Certification Case Studies. First and foremost we are grateful for the dedicated efforts and professionalism of the coordinators on each of the national forests: Geoff Chandler of the Chequamegon-Nicolet NF (CNNF); Lois Demarco of the Allegheny NF (ANF); Jerry Haugen of the Lakeview Federal Stewardship Unit (LFSU); Nancy Lankford and Lisa Norris of the Mt. Hood NF (MHNF); and Carl Petrick and Richard Shelfer of the National Forests in Florida (NFF). Their attention to this project and able coordination of the many staff and auditors involved was remarkable.

The auditors performed admirably in carrying out evaluations of unprecedented scope and scale. We commend the expert and quality jobs done by each of the audit teams, and the leadership provided by each of the Lead Auditors, including: Mike Ferrucci (NSF International Strategic Registrations), Robert Hrubes (Scientific Certification Systems), Chris Nowak (SmartWood), Dan Pubanz (SmartWood), Dan Simonds (SGS Systems and Services Certification, Inc), and Don Taylor (PricewaterhouseCoopers). We also appreciate the efforts of Dave Bubser of SmartWood and Dave Wager of SCS who helped orchestrate four of the five audit reviews.

We appreciate the fortitude of each of the National Forest Supervisors, who were willing to dedicate their staff and resources to take part in the study. They include: Ann Archie of the CNNF, Gary Larsen of the MHNF, Kathleen Morse of the ANF, Marsha Kearney of the NFF, and Karen Shimamoto of the LFSU. Their leadership and the leadership provided by Forest Service Deputy Chief Sally Collins and her staff at the Washington Office made this study happen.

Finally, we are grateful for the thoughtful advice and guidance provided by Doug MacCleery who helped shepherd this project through every stage.

iii. 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 their how 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. The SFI Standard presently includes specific requirements for public land management organizations, which would applied in certification audits of 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 federal land management agency. To date, FSC has approved federal land standards for

[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, 2007

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 several case studies exploring potential applicability of certification on units of the National Forest System. The National Forest Certification Case Studies are 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 studies, 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 studies 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 studies 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.

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.

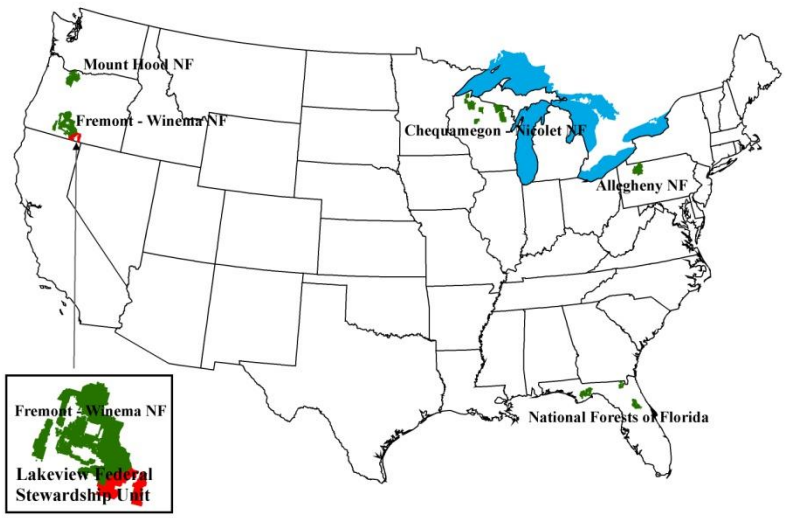

Figure. Five National Forest System units participating in the National Forest Certification Case Studies

requirements specific to public lands built into the standard. The FSC evaluations for the five case studies 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 the Additional Considerations 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 of the case studies 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 these case studies 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-techncial" aspects of sustainable management. In many cases, these "substantive" non-conformances forests 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 and as direction to resource management issues auditors pursued in the field.

Examples of non-conformances reported for t 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 (e.g., MHNF, CNNF).
- *Forest health issues arising from backlogged management activities.* Consistent delays or backlogs in meeting stated harvest 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 the case study national forests to increased risk of disease, insect outbreaks, stand-replacing wildfires while—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 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 proceses 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 that would be required to address the auditors' suggested improvements include:

1) Develop viable strategies and secure the financial resources to substantially improve the condition of overstocked stands and meet desired forest conditions.
2) Review and revise policies for the identification and maintenance of old-growth forests to conform to 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 secure the necessary financial resources 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.