

**Third-Party, Performance-Based
Certification of Public Forests:
What Public Forestland
Managers Should Know**

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Discussion Paper:

Third-Party, Performance-Based Certification of Public Forests: What Public Forestland Managers Should Know

Catherine M. Mater¹, V. Alaric Sample², James R. Grace³, and Gerald A. Rose⁴

Introduction

The on-going debate over *third-party, performance-based certification* of sustainable forest management practices has been increasing in visibility in the forestry and forest products communities over the last three years. Until very recently however, the dialogue, discussion, and practice of this forest certification program in the U.S. had been directed solely at private forestlands. In 1996, that picture changed with the certification of 53,000 acres of the Quabbin Reservoir in central Massachusetts (Barten, 1998). In 1997, the issue of public forestlands certification came into sharp focus with the certification of over 1.5 million acres of state and county forestlands located in Minnesota and Pennsylvania. Today public forestland managers in three additional states (New York, Michigan, and Wisconsin) are currently engaged in certification pilot projects, with several other states placing certification on their docket for consideration.

Far from being non-controversial, the debate over the necessity and desirability of third-party, performance-based certification leaves many questions still to be answered. Pioneering pilot projects recently undertaken in Pennsylvania and Minnesota have provided valuable answers and important learning experiences for other public forestland managers considering this direction.

Background Basics

Several assessment programs have recently been developed for selected use by the forest and forest products industries. However, the level, application, and product labeling capabilities of these various assessment approaches highlight the critical differences between the major programs being offered. **Table 1** details these key similarities and differences:

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**Table 1: Basic Elements of Example
Assessment Approaches**

<i>Entity</i>	<i>Led By</i>	<i>Level</i>	<i>Application</i>	<i>Product Label</i>
SFI	<i>American Forest & Paper Association</i>	<i>2nd-party; systems-based</i>	<i>United States</i>	<i>No</i>
CSA	<i>Canadian Standards Association</i>	<i>3rd-party, audited, systems-based</i>	<i>Canada</i>	<i>No</i>
ISO	<i>International Organization for Standardization</i>	<i>Optional 3rd-party, audited, systems-based</i>	<i>International</i>	<i>No</i>
FSC	<i>International Council equally comprised of environmental, economic (industry), and social organizations.</i>	<i>3rd-party, audited, performance-based certification</i>	<i>International</i>	<i>Yes</i>

Source: Adapted from E. Hanson; Economic Commission for Europe, Forest Products Annual Market Review; Oregon State University; Department of Forest Products; August, 1998.

- *Who conducts the assessment?*

The difference between 1st-party, 2nd-party, and 3rd-party assessments can determine the perceived *credibility* of the effort by a concerned public. 1st-party assessments are those conducted *internally* by the organization managing the forestlands. 2nd-party assessments are those conducted outside the specific organization, but by a representative business or trade association. 3rd-party assessment approaches provide for *outside verification (certification)* of forestry practices.

- *Systems-based or performance-based?*

Some assessment approaches evaluate the written forest management system of an organization (systems-based) without requiring a verification of actual performance of that management system in the field (performance-based). The difference is keenly noted by environmental groups and concerned members of the public. Annual third-party in-field auditing is also important to the public credibility.

- *How and where can a "certified" designation be used?*

In the U.S., third-party performance-based certification is offered only by the **Forest Stewardship Council (FSC)** affiliates SmartWood, of Richmond, Vermont, and Scientific Certification Systems (SCS) of Oakland, California. The FSC is an independent, non-profit organization comprised of environmental, social, and forest products industry representatives which was formed in 1993 to establish guidelines for sustainable forest management practices.

Currently, FSC is the only certification program recognized internationally. Additionally, FSC alone offers its customers a retailer-recognized product label.

Pilot Studies on Public Forest Lands

By 1996, a number of forestry operations on private lands, from Maine to California, had been successfully certified by FSC affiliates SmartWood and SCS. Could certification have similar benefits for public forest management as well? The results from the Quabbin Reservoir SmartWood certification were encouraging (Barten, 1998). Several federal, state, and county forest agencies expressed interest in exploring the idea further. This was new ground for the certifiers as well, providing new opportunities to test the technical feasibility of certification in a multiple-use management context, and the political viability of third-party performance-based evaluation of forest practices on lands owned and managed in the public interest. Several foundations with interests in both catalyzing innovation and encouraging sustainable forest management expressed interest in providing support for a limited pilot study of certification on a variety of public lands at locations around the U.S.

The first pilot project involved an unusual partnership of more than 500,000 acres of both state and county forest lands located in Aitkin County in central Minnesota (see **Table 2**). Separate assessments would be conducted by SmartWood on state and county forestlands. While managed for multiple use, these lands have a high ratio of timber primarily sought by the paper and OSB industries. The Minnesota project was undertaken with support from the Rockefeller Brothers Fund.

Table 2: Pilot Project Players

	<i>Project Acres</i>	<i>Selected FSC Certifier</i>	<i>Type of Certifier</i>
<i>Pennsylvania</i>	2.1 mm	SCS	For-Profit
<i>Minnesota</i>	291,500	SmartWood	Non-Profit
<i>Aitkin County</i>	223,000	SmartWood	Non-Profit

The second pilot project, supported by the Howard Heinz Foundation, was larger, ultimately involving the entire 2.1 million acres of state forest land managed by the Pennsylvania Bureau of Forestry (PBF) of the Department of Conservation and Natural Resources. Pennsylvania's state forests are comprised of high-value hardwoods directed toward lumber and veneer for value-added products such as furniture and flooring. A significant portion of the highest quality material finds its way into European markets. The State harvests over 50 mmbf of timber annually, and relies predominantly on even-aged management systems. In recent years,

they have used biological controls to combat a number of insect defoliators and are currently employing a substantial herbicide program in order to ensure adequate natural regeneration.

Adding further interest to the Pennsylvania pilot study was the fact that SCS had recently certified 124,000 acres of private forest land managed by Kane Hardwoods (a division of Collins Pine) in north central Pennsylvania, adjacent to some of the largest compartments of Pennsylvania state forest land.

The pilot projects were designed as an experiment to test and evaluate not just the management of the public forest lands involved, but the certification process itself. The projects were designed primarily to be *learning experiences*. Certifiers would assess the agencies' existing forest management systems and practices to determine consistency to FSC standards and guidelines. In turn, certifiers would be evaluated on their technical competency, process, and performance outcomes by the project sponsors based on the impressions provided by the land managers involved in the pilot projects. Actual certification of public forest lands was not a given outcome of the pilot studies. As part of the pilot study, the Pinchot Institute would coordinate an on-going evaluation focused on the new and additional issues raised by applying third-party performance-based certification on public forest lands. These issues included public involvement, and reconciliation of certification standards with public forest management requirements defined by statute or by land management plans developed with broad public participation.

Reasons To Participate

For their part, the public forestry agencies had a number of reasons for exploring the potential role of third-party performance-based certification of forest lands entrusted to their care. Among the reasons mentioned by the managers themselves were the following:

- *To achieve outside verification of public land management:* The public forestland managers found value in the third-party assessment process as a means to verify to the public that they are managing their lands in a sustainable manner.
- *To identify measures for improvement:* Internal evaluations of appropriate forest management practices had already been conducted by the participating agencies. The public forestland managers felt they had a good handle on their strengths and weaknesses, but also felt it would be helpful to have an outside perspective on their practices.
- *To serve as a model to private land management:* The agencies recognized that public forestland management can be an important model for management practices which occur on private forestlands in their jurisdictions. In particular, potential visibility of the project to private non-industrial forestland owners was a desired end result.

- *To better understand the process of "green" certification:* The substantial increase in "green" certification as a topic of discussion within the forestry community was undeniable. However, the lack of specific information on the FSC certification process, procedure, and technical framework based on first-hand experience was in short supply. The project offer gave the agencies an opportunity to evaluate third-party performance-based certification first-hand. And, as one Minnesota DNR field forester stated, *"Even a failed audit would prove useful information to managers interested in improvement."*
- *To achieve cash returns and market share:* The participating agencies differed on their project expectations in this category. Increases in stumpage values as a result of offering certified resource was not a project consideration for Pennsylvania, as they were already receiving high values for harvested hardwood resources. Improved market share and potential cash returns were considered key reasons for Aitkin County's participation, and were also considerations for the Minnesota Department of Natural Resources.

The Assessment Process

Following the same process as for private forestland assessments, the FSC certification process for public forestland managers encompassed the following ten steps (see Table 3):

Table 3: Ten Steps to Certification of Public Lands

- *Scoping*
- *Documents Review*
- *Field Assessment*
- *Stakeholder Input*
- *Draft Report*
- *Applicant Comment*
- *Final Draft*
- *Peer Review*
- *Final Report/Certification Decision*
- *Certification Contract*

- *Scoping*: Scoping is a preliminary evaluation to ascertain the *readiness* of an organization to proceed with a full scale certification. Determination of management plan completion and other critical documents required for certification assessment are reviewed by the certifiers. This step allows the applicant to understand certification requirements and the assessment process early on. Obvious '*red flag*' issues, if any, which might prohibit certification can be spotted up-front without having to pay for a full assessment.
- *Documents review*: Certifiers conduct an in-depth review of the agency's forest management planning documents, timber sales, and public input processes to determine thoroughness of forest management systems in place.
- *Field Assessment*: A field assessment is conducted to ascertain whether the systems defined in the management plans are executed in the field. For both Pennsylvania and Minnesota, certifiers spent between 20-30 days in the field, and interviewed close to 100 employees each. The certifier teams are comprised of professional foresters, silviculturalists, ecologists, biologists, and wildlife specialists with advanced degrees and considerable experience in dealing with forest management *in the given region*.
- *Stakeholder Input*: The certification process also requires direct interviews with local and regional stakeholders. Environmental groups, social organizations, professional organizations, and individuals in the region known to participate in public forest management discussions are interviewed regarding their views on the existing management of their public forestlands.
- *Draft Report*: A draft report is prepared by the certifiers based on their evaluation of the agency's systems in place and forest management performance in the field.
- *Applicant Comment*: Prior to final report completion, the agency has the opportunity to review the draft report. These agency reviews are important for the certifiers and the agency being evaluated. This allows the agency to correct errors of fact and clarify information in areas they feel needed better understanding by the certifiers. While not obligated to accept suggested changes, the certifiers listen to the suggested changes and render a decision on whether the changes are warranted.
- *Final Draft*: Once the agency has reviewed and commented on the draft report, a Final Draft is prepared by the certifiers.
- *Peer Review*: Each certifier is required to submit a copy of their Final Draft to a team of three to five peer reviewers for final review. Although members of the peer review team are selected by the certifier, the agency being assessed is requested to submit names of qualified individuals for this task. Peer review teams are comprised of well-respected scientists in and outside the region to perform the review task. Each peer reviewer submits a written report to

the certifiers regarding the thoroughness of the assessment conducted and the accuracy of technical decisions made.

- **Final Report/Certification Decision:** Once peer review comments have been received, a Final Report is prepared by the certifier accompanied with a decision to recommend for or against certification. The report will contain a detailing of the in-depth assessment conducted. If certification is recommended, the report may also contain both *conditions* and *recommendations* as part of a certification contract. *Conditions* are mandated actions which the applicant agrees to comply with during the contract period. Conditions can come with a benchmark compliance time that is shorter than the five-year contract period. *Recommendations* are suggestions for improvement offered by the certifiers which, although recommended, do not need to be complied with during the contract period.
- **Certification Contract:** If a decision in favor of certification is rendered, the agency will decide whether or not to engage in a five-year certification contract with required annual licensing and audits. At the end of five years, another in-field assessment will be required in order to maintain certification status.

The actual certification assessment costs in Minnesota and Pennsylvania ranged from \$.09 per acre to \$.12 per acre. However, based on the learning curve experienced by both certifiers as part of these pilot projects, a \$.17 to \$.19 per acre cost may be a more realistic gauge for future public forestland projects. Costs for licensing and annual auditing required to engage in a certification contract ranged from \$.01 per acre to \$.03 per acre (see **Table 4**).

These figures do not include land manager preparation costs which might be incurred to undertake the assessment, or costs which may be incurred as a result of changes in forest management practices which may be required to maintain certification. (Collectively, these costs could exceed assessment costs).

Table 4: Costs to Certify

	Minnesota	Aitkin County	Pennsylvania
Total Project Acres	291,500	223,000	2.1 mm
Certification Assessment Costs	\$27,500	\$27,500	\$200,000
\$/Acre (Assessment)	\$.09	\$.12	\$.10
Annual License & Auditing Costs	\$6,000	\$6,000	\$11,446
\$/Acre (Annual)	\$.02	\$.03	\$.01

Project Results: Few Surprises

Initiated in January of 1997 and completed in November that same year, third-party performance-based assessments conducted in both states concluded that both state agencies and the Aitkin County land department met assessment requirements and were recommended for certification. All three agencies elected to sign five-year certification contracts with their respective certifiers.

Certifiers commended management practices in multiple technical areas for all three agencies, but also highlighted areas for needed improvements. For Pennsylvania, while overall high scores were received in the areas of *Timber Resource Sustainability*, *Forest Ecosystem Management*, and *Financial and Socioeconomic Considerations*, needed improvements were noted in four sub-categories: *management planning and information base*, *forest community structure and composition*, *ecosystem reserve policies*, and *investment of capital and personnel* (see **Table 5**). Central issues where improvements were required to meet certification contract conditions included measures to improve an ecological reserve program based on ecological and conservation biology principles; and steady and continuous improvements to implement a deer management program that allows for sustainable forest management, biodiversity conservation, and forest economics. The review also indicated that the State Forest Resource plan needed to be updated and that some of the data management capabilities within their timber program were inadequate. Contract conditions also called for more technical training for field foresters, and detailed the requirement for a Skills Plan to be prepared which will help develop necessary staff skills to implement improvements and maintain ecosystem management of the State Forest System.

Similar to Pennsylvania, Minnesota and Aitkin County achieved overall high scores, but also with identified areas of improvement (see **Table 6**). Improvement areas noted for both the State and Aitkin County included improved management planning, the need to address structural diversity at landscape scale, and the need to improve staffing conditions required to shift silvicultural prescriptions from traditional stand management to one based on natural ecological communities.

Overall, between 10 to 20 contract conditions were detailed for the assessed agencies (see **Table 7**), with multiple recommendations included for consideration.

The third-party, performance-based assessments offered a few new insights and reinforced many of the conclusions already drawn by the agencies themselves about forest management. State foresters for both Pennsylvania and Minnesota, and foresters for Aitkin County confirmed that many of the areas highlighted for improvement during the assessment had already been targeted by internal staff for systems and performance improvements. In essence, the assessments produced an outside verification of the importance and priority of these improvements.

Table 5: Pennsylvania Scores (Scientific Certification Systems)

Area: Timber Resource Sustainability (Overall Score = 85)

<i>Item</i>	<i>Score* (%)</i>	<i># of Contract Conditions</i>
Harvest Regulation	85	None
Stocking & Growth	95	None
Pest/Pathogen Mgt.	97	None
Forest Access	95	None
Harvest Efficiency & Product Utilization	96	None
Mgt. Plan & Info. Base	60	1

Area: Forest Ecosystem Management (Overall Score = 83)

<i>Item</i>	<i>Score* (%)</i>	<i># of Contract Conditions</i>
Forest Community Structure & Composition	64	4
Long-Term Ecological Productivity	96	None
Wildlife Mgt., Actions, Strategies, & Programs	91	None
Watercourse Mgt. Policies & Programs	97	None
Pesticide Use: Practices & Policies	95	None
Ecosystem Reserve Policies	78	1

Area: Financial & Socioeconomic Considerations (Overall Score = 92)

<i>Item</i>	<i>Score* (%)</i>	<i># of Contract Conditions</i>
Financial Stability	98	None
Community and Public Involvement	95	None
Public Use Management	98	None
Investment of Capital and Personnel	76	4
Employee and Contractor Relations	90	None

- * Best = 100%
Non-Certification = <80%

Table 6 : Minnesota Scores (SmartWood)

	Aitkin County Score	# of Contract Conditions	Minnesota State Score	# of Contract Conditions
Forest Security	4.5	1	5	None
Management Plan	3.86	6	3	6
Sustained Yield Management	3.8	2	3.6	3
Environmental Impacts	3.16	6	3.58	9
Community Relations	4.4	1	4.4	None
Employee Relations	4.5	None	4.6	None
Economic Viability	4	1	4	1
Optimizing Forest Potential	3	1	3	None
Tracing & Tracking	4	1	4	1

1 = very poor; 3 = certifiable; 5 = state of the art

Table 7: Conditions & Recommendations

	# of Contract Conditions	# of Suggested Recommendations
MN DNR (SmartWood)	20	30
Aitkin County (SmartWood)	19	26
PA DNR (SCS)	10	25

They also produced some surprises. Pennsylvania forest land managers discovered that a number of the existing PBF policies and procedures were not being consistently followed in the field. Minnesota forest land managers were surprised at SmartWood's capabilities to complete full assessments within the time frame determined for the pilot projects: "They did what they said they would do in the time frame they said they would do it in."

Assessing the Certifiers

Subsequent to the completion of these projects, the certifiers and the certification process were evaluated by project sponsors based on impressions provided by the public land managers involved in the pilot projects. The critique encompassed *certifier performance*, *quality of process*, and *end results achieved*. Here's how the process and players measured up:

Certifier Performance:

1. *Professional Approach:* Both SCS and SmartWood received good marks in this category. Each certifier employed recognized technical experts in forestry operations, biology, ecology, silviculture, wildlife habitat, etc. to conduct the in-field assessments. Assessment team members were experienced in the forest regions being evaluated, rather than coming from outside the regions. The approach taken by team members in working with central and field staff members, with few exceptions, was consistently categorized as appropriate and professional.
2. *Technically-Defensible Decisions:* Public forestland managers state that in the "Big Picture", the certifier assessments were right on the mark. Managers stated the project was a very good technical review with strengths and weaknesses being clearly identified. "*The silvicultural discussions were of a particularly high order and very sound.*" However, decisions on some individual issues appeared based more on subjective than objective factors. Public forest managers also expressed concerns regarding some contract conditions being "*out in front of science,*" especially in areas of "conservation biology." Nonetheless, certifier technical decisions overall appeared to make the grade with public land managers.
3. *Realistic Expectations:* Did certifiers exhibit a realistic understanding of how changes are implemented in public forestland settings? Certifiers are required to render assessments of performance and recommendations for needed change. But what if needed changes are outside the jurisdiction of the agency being assessed? Pennsylvania received low marks from SCS in Forest Community Structure and Composition primarily because of deer management policies resulting in an "*over-abundant*" deer population and inadequate forest regeneration. These policies are implemented and controlled by Pennsylvania's Game Commission, not the Bureau of Forestry (BOF). The certifiers, nonetheless, required the BOF to commit to "*steady and continuous progress to develop and implement a deer management program that shifts from the current nutritional carrying capacity paradigm to one of diversity carrying capacity.*" Many argue the concern was correct, but the contract condition to BOF was not realistic. Even so, Pennsylvania land managers reasoned that the certification contract conditions and benchmarks for performance would be used as an effective tool in on-going discussions with the state's Game Commission regarding proposed deer management policy changes. It is interesting to note that the Pennsylvania Game Commission has just recently endorsed independent, third-party reviews of both their current deer management policies, as well as internal management structure.

Quality of Process:

1. *Scoring Process:* SmartWood gets the nod on this one, with a relatively simple, but effective, scoring process of "1" through "5" ("1" = very poor performance; "3" = certifiable; and "5" = state of the art). SCS uses a percentage-based system with <80% designating non-certifiable performance. They then employ a weighted average on the determined percent based on the relative importance of the issue. Both scoring systems are technically sound, but the SmartWood system appears easier to explain to the public and to other political bodies considering certification.
2. *Peer Review:* This area received lower marks across the board with public forest managers. While the peer review process is acknowledged to add credibility to the process, especially for public lands certification, two factors worked against it during these pilot projects. First, unlike SCS, SmartWood kept the names of their peer reviewers confidential, even though the actual reports could be viewed by the public land managers. This fostered a fear of having final review by non-peers in the process. Further, public land managers in both states commented that the peer review process appeared to provide a "soap box" for the reviewers, rather than foster a concise, professional review of the certification assessment on hand.
3. *Report preparation:* Certification systems, particularly in Minnesota, appeared to score fairly well in this category. In large part, this was due to the Applicant Comment step of the certification process prior to Final Report completion. Pennsylvania public land managers expressed a less positive result, citing report preparation directed more toward the public and not the agency as a key factor.

End Results Achieved:

1. *Reinforced or increased lines of staff communications:* Certification received high marks across the board in this area. Pennsylvania land managers state that the certification process fostered notably positive results in opening up better lines of communication between field staff and central office staff. Minnesota land managers felt that the project not only reinforced lines of communication, but also provided a unique opportunity for field and central staff to work together on a field-driven project.
2. *Public/Political visibility:* Again, certification received good performance marks here across the board. The increased public visibility and credibility for the agencies created by the projects were documented at regional, state, national, and even international levels for both Minnesota and Pennsylvania land managers. Each of the agencies have responded to a continuing large volume of requests for information on the pilot project and speaking engagements from across the U.S. Most importantly, the agencies have been favorably recognized in public and political environments, fostering increased public credibility. The

unique partnership of the Aitkin County land department and the Minnesota DNR in the pilot project resulted in each agency receiving the Cooperative Public Service Award for *"outstanding achievement in serving citizens through forest land management certification."* Additionally, Minnesota's current follow-on project in certification (see below for further details) was ranked by a legislative citizen advisory committee as one of the top projects in the state recommended for public funding in 1999.

Pennsylvania land managers document equally positive results, even from offshore locations. Associated Press coverage of Pennsylvania Governor Tom Ridge's trade mission to Ireland in May of 1998 quotes the managing director of lawn and garden chain store True Temper, Ltd.: *"Pennsylvania should be commended for becoming the first state in the nation to be certified by the FSC. Customers in the UK and Ireland only use hardwoods grown from sustainable sources, and Pennsylvania is the primary provider of wood that meets these standards of excellence. Hardwood products made in Pennsylvania will gain [market] success because of this initiative."*

3. *Environmental support:* While environmental support for third-party performance-based certification appears strong for private forestlands, support for certification on public forestlands is more cautious. Even so, support in the pilot project states seems to be growing. In Minnesota the Audubon Society has been in the forefront of supporting the concept of certification on private and public lands because they believe it can be an effective tool to reach toward good standards on all lands. According to Betsy Daub of Minnesota Audubon, the Society is *"committed to staying involved in the process, giving positive input, and participating in developing the [regional] standards."* Jan Novak of the Pennsylvania Environmental Council Inc. said her organization *"supports the state's forest certification efforts, and was pleased [with the SCS report] which came out. We thought the advice [in the report] points to better management."* According to Novak, her group supports certification because *"it evaluates management from three perspectives - harvest, ecology, and social concerns ... not just the extractive industry perspective."*

But, not all environmental groups are supportive. The Sierra Club, in particular, has voiced opposition to the process. According to Carl Zichella, Staff Director of the Midwest Region of the Sierra Club, *"Certification should not be on public lands. A clear majority believes there should be no logging on federal lands at all, and people don't distinguish between state and federal lands."* Ironically, Sierra Club members in Pennsylvania have used the conditions and timetable issued in SCS's certification contract to make sure the State meets their environmental contract obligations. At the same time, Sierra Club members in Minnesota effectively derailed a follow-on certification project. A DNR-supported project proposed to increase State staff support to help meet certification contract requirements, and bring another 1.3 million acres of State and county forestlands under certification assessment. The project requested \$700,000 from a legislative commission. With over 800 projects competing for the same dollars, the project ranked first in the state with legislative staff and citizens advisory groups. Nonetheless, Sierra Club members successfully fought the project

before the legislative commission, resulting in the commission recommending only \$150,000. Interestingly, direct support from the Audubon Society was a crucial factor in the project receiving the \$150,000.

Even so, the Audubon Society in Minnesota actually *credits* the Sierra Club for the Society's current position on the certification process. According to Betsy Daub, the Sierra Club "*challenged the Society to recognize the internal need for clarity [on this issue], and for engaging in a wider discussion about the issues, especially among [our] own membership.*" Since the State and County signing of the certification contracts with SmartWood, members of the Minnesota Audubon Society have taken the time to tour the certified forests. The group reviewed the standards and the assessment documents prepared by SmartWood. They found the standards to be "*good*" and the assessments to be "*accurate*", but noted that some grading may have been inflated. Members suggested that the public agencies had received passing scores in some areas where good will and planned compliance toward meeting the standards was in place, but the standards had not yet been met. Certifiers point out that, in the few areas where this occurred, compliance must be met within the contract period.

From an environmental perspective, certification appears to be supported by national environmental organizations, but resisted by some grassroots/regional groups. These groups are likely to require more time to better understand certification and its impacts.

From a public forestland manager perspective, the message is clear:

- third-party performance-based certification is a success if public credibility is improved;
- public credibility depends, in part, upon participation and public support from environmental groups; and
- the lack of united support from a significant portion of environmental groups may limit the value of the certification effort to the public agency.

4. *Industry support:* Industry support for the pilot projects has also been mixed. For Minnesota, while some smaller-sized forest products producers appear supportive of the project efforts, the viewpoint of major forest product firms has ranged from being quite critical to suggesting that other forms of certification be employed. Pennsylvania producers responded quite differently. According to Pennsylvania forest land managers, the project has resulted in several sawmills becoming chain-of-custody (COC) certified to handle FSC-certified wood. (COC refers to an FSC process where the manufacturing operation is certified as being able to track and document the flow of certified wood from non-certified wood in their production and inventory). In addition, the Pennsylvania Hardwood Development Council with the support of the Hardwood Lumber Manufacturer's Association and the School of Forest Resources at Pennsylvania State University have sponsored follow-on certification workshops for foresters and wood product producers.

5. *Market performance:* The certification contracts for each of the states are too new to statistically document actual performance in the marketplace. Although harvesting of certified timber has already occurred, the lack of chain-of-custody (COC)-approved manufacturing operations appears to currently hamper certified resource flow to the marketplace. According to Roger Howard, Aitkin County Land Commissioner, his office receives weekly inquiries from secondary wood product producers, wholesalers, and even retailers wanting to purchase certified wood products. Over 50% of the weekly inquiries come from international sources. The problem, according to Howard, is the lack of COC-certified primary producers in the area to convert the log into lumber form. Minnesota DNR land managers also point to companies like Palisade Supply Inc., located in Aitkin County, to document market success. As a COC-certified primary producer, the company reportedly receives inquiries from homebuilders and architects asking for certified lumber used in millwork and trim, paneling, and flooring. Inquiries are also received for specialty products such as picture frames.

Pennsylvania land managers have also taken note of increased inquiries coming from wood product buyers domestically and internationally. While increases in stumpage values have not been noted thus far, the state's certified resource offering has resulted in the department receiving "*many more requests from firms who want to buy certified products.*"

Overall, public forestland managers involved in the pilot projects all concur that - while improvements are needed - third-party performance-based certification did measure up well under their own tough evaluation of the process, including scrutinization of the program from forestry field staff. In return, the certification process did increase public visibility and awareness of the agencies involved. It did produce a positive influence on staff morale and employee self-esteem. And finally, it did provide a new mechanism to help recognize and advance better forest management objectives on public lands.

Follow-On Efforts: More to Come

The results of the initial pilot projects in Minnesota and Pennsylvania proved fertile ground for follow-on projects. Pennsylvania's initial project involved 1.2 million acres of forestland. With certification of those lands completed in 1997, the Pennsylvania Bureau of Forestry elected to have their remaining 1 million acres of forestland assessed by SCS in 1998. The assessment has been completed and peer review is in process. The release of the Final Report and certification decision will be issued in 1998. Minnesota will continue to pursue certification efforts with what public dollars are eventually appropriated, and plans to seek additional public and private dollars to complete the proposed full range of project activities.

Meanwhile, the public forestland managers in the states of *New York, Michigan, and Wisconsin* have elected to participate in certification pilot projects. Funding for the projects is

provided by the **Great Lakes Protection Fund**, a fund established by the Governors of the Great Lakes states of Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin for the purpose of protecting the health of the Great Lakes ecosystem. New York has selected 700,000 acres of state-managed forestlands to be assessed by SmartWood. Michigan has selected to develop a new forest management plan on their 1 million-acre Superior State Forest to meet Canadian Standards Association (CSA) requirements. A scoping will then be conducted to ascertain the readiness to engage in an FSC assessment. Wisconsin's Bayfield County, with 167,000 acres of county-managed forestlands, is currently engaged in a scoping. All three projects are scheduled for completion by the end of 1998.

Other states outside the Great Lakes basin are also evaluating the constraints and opportunities to certifying public forestlands. Several federal agencies are evaluating certification as a possible forest management option. The Savannah River Institute (SRI), a 164,000-acre research forest tract located in South Carolina administered by the Department of Energy and managed by the USDA Forest Service, released a Request for Quotation on September, 15, 1998 asking for quotes on professional services to "*assess, evaluate, and certify forest operations.*" A follow-on amendment to that RFQ dated September 30 states: "*... the Government is seeking actual assessment, evaluation, and certification of the Forest operations at the Savannah River Institute using FSC's principles and criteria, or any other well established and recognized principles and criteria.*"

To Seek Certification or Not

Public forestland managers in Pennsylvania and Minnesota conclude that green certification still needs some adjustments and *it is not for everyone*, but it has a place as a voluntary market-driven program which recognizes and fosters better forest management. Each of the managers participating in the pilot projects concur that the benefits in engaging in certification have outweighed the risks and costs. Each conclude that the FSC-certification process is compatible and, in some cases, even complimentary to other assessment approaches offered, such as the SFI program. Finally, each also provide the following advice to other public forestland managers: *proceed consciously, and carefully.*

Table 8 provides a suggested checklist of the top ten issues public forestland managers should address *before* engaging in a certification project. A complete ***Certification Handbook for Public Forestland Managers*** is scheduled for publication by the Pinchot Institute in early 1998. This handbook, along with additional informational material that will be updated periodically, will summarize the results of the public forest land certification pilot projects to date, and describe in detail the potential costs as well as potential benefits of third-party performance-based certification (Sample, 1998). The Handbook will provide public forest land managers with a checklist tool designed to help them assess whether certification would be of value to them and the public they serve.

Table 8: Key Issues to Address Prior to Certification

- ✓ Check certifier backgrounds. Ask for references and follow through with reference checks.
- ✓ Be clear on the standards and criteria you will be evaluated against. Standards and criteria should be in written form provided by the certifier. Determine whether the standards/criteria to be employed on the project are adopted FSC standards for the region.
- ✓ Require a clear written description of the precise scoring process to be employed in the assessment, including weighting values which may be used in the scoring process.
- ✓ Review the actual steps of the assessment process the certifier will follow. Make sure everyone understands the process and timeframe that will be employed in the project, including field staff.
- ✓ Obtain a written cost estimate up-front which not only covers the cost for the assessment process, but also annual audit fees and licensing, should certification contract occur.
- ✓ Ask what services the certifier proposes to offer should you decide to invest in their certification program (i.e. media coverage; market visibility; networking assistance; etc.)
- ✓ Ask who will be included on the certifier's evaluation team. Review the professional competencies of the individuals to be employed.
- ✓ Provide input on the peer reviewers to be used in the project. Require certifiers to clearly delineate the process for peer review.
- ✓ Consider a two-phase approach to the project. Phase one concentrates on a scoping (evaluation of readiness to engage in a full assessment). Phase 2 delivers a full assessment, assuming favorable outcome of the scoping.
- ✓ Consider selecting official project observers as part of the total project. Bringing outside industry and environmental representatives to the table at project inception can further the learning experience and bring valued credibility to the project outcomes.

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Sample, V.A.; 1998. Interim Report on Pennsylvania Certification (Pinchot Institute for Conservation, Washington, D.C.).

PINCHOT INSTITUTE FOR CONSERVATION

About the Pinchot Institute

The Pinchot Institute for Conservation is an independent, non-profit organization dedicated to leadership in conservation thought, policy, and action. The Pinchot Institute was dedicated in 1963 by President John F. Kennedy at Grey Towers National Historic Landmark in Milford, Pennsylvania, historic home of conservation leader Gifford Pinchot, to facilitate communication and closer cooperation among resource managers, scientists, policymakers, and the American public. The Institute continues Pinchot's legacy of conservation leadership as a center for policy development in support of sustainable forest management.

Programs and activities

- **Policy research and analysis.** The Pinchot Institute serves as a bridge between the scientific and policymaking communities in forest resource management. The Institute provides independent policy research and timely, objective analysis targeted to the current information needs of policymakers and resource managers.
- **Convening and facilitation.** The Institute serves as a convenor and facilitator, fostering collaborative approaches to resolving key issues in forest policy. The Institute brings together leaders in forest management, research, and education from federal and state agencies, universities, industry, and conservation organizations to address new challenges and discover new solutions for advancing sustainable forest management.
- **Leadership development.** Through its program on leadership in natural resource conservation, the Institute conducts research and provides training for resource management professionals and community leaders in participatory decision making and conservation leadership.

Current programs

Institutional and policy changes to implement sustainable forest management. Much of the effort to date in sustainable forestry has focused on policy development, with far less attention devoted to the mechanisms by which these policies will be implemented, or potentially thwarted. Policies for integrated approaches to resource management will make little difference on the ground until the appropriate organizational structures and administrative processes are developed. These include the development of processes for conservation-oriented strategic goal setting and performance measurement, and integrated resource management planning, budgeting and fiscal accountability. These considerations are complex and intensely politicized, and the Pinchot Institute can play a critical, constructive role through both independent analysis and facilitation.

Forest stewardship and sustainable rural development. The restoration and maintenance of forest ecosystems for multiple objectives requires a variety of continuing land treatments that can be the basis of stable employment and income in rural communities. There is a need for policies aimed specifically at facilitating the development of local capacity to carry out such land treatments through the kind of small entrepreneurial firms that characterize rural communities. The Pinchot Institute is working with policymakers, federal and state land management agencies and with a network of community-based rural development practitioners to identify and address key policy issues such as contracting, bonding requirements, capital financing, and training in the development of specific strategies to advance both forest stewardship and sustainable rural development.

Developing collaborative models of conservation leadership. The Pinchot Institute is committed to the development of effective natural resource conservation leadership among both beginning and mid-career professionals, in public agencies, private organizations, and conservation NGOs. The Pinchot Institute offers leadership workshops and executive development seminars in participatory decision models that are beginning to redefine the relationship between land management agencies and the communities they serve. The Institute's leadership development program is integrated with the training and conservation fellowship programs held at Grey Towers National Historic Landmark, primarily for mid-level managers in federal natural resource management agencies.

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