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# FOREST MANAGEMENT SURVEILLANCE EVALUATION REPORT

Michigan Department of Natural Resources

SCS-FM/COC-00090N

1990 US-41

South Marquette, MI 49855

Dennis Nezich

CERTIFIED	EXPIRATION
12/31/2010	12/30/2015

DATE OF FIELD AUDIT
10/17/2011
DATE OF LAST UPDATE
09/20/2012

## Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of by the FME.

**FOREWORD**

Cycle in annual surveillance audits			
<input checked="" type="checkbox"/> 1 <sup>st</sup> annual audit	<input type="checkbox"/> 2 <sup>nd</sup> annual audit	<input type="checkbox"/> 3 <sup>rd</sup> annual audit	<input type="checkbox"/> 4 <sup>th</sup> annual audit
Name of Forest Management Enterprise and abbreviation used in this report:			
Forest Management Enterprise (FME)	Michigan Department of Natural Resources (MDNR)		

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website [www.scscertified.com](http://www.scscertified.com).

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or Corrective Action Requests (CARs; see discussion in section 5.0 for a summary those CARs and their disposition as a result of this annual audit in the separate CAR report file);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to the audit; and
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

All items marked with an asterisk (\*) are not required for FMUs that qualify as single SLIMFs.

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**Section A – Public Summary**

**1.0 General Information**

**1.1 Annual Audit Team**

<b>Auditor Name:</b>	Dr. Robert Hrubes, Ph.D.	<b>Auditor role:</b>	FSC Lead auditor
<p><b>Qualifications:</b> Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 30 years of professional experience in both private and public forest management issues. He is presently Senior Vice-President of Scientific Certification Systems. In addition to serving as team leader for the Michigan state forestlands evaluation, Dr. Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led numerous audits under the SCS Forest Conservation Program of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Japan, Malaysia, Australia and New Zealand. Dr. Hrubes holds graduate degrees in forest economics (Ph.D.), economics (M.A.) and resource systems management (M.S.) from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University. He was employed for 14 years, in a variety of positions ranging from research forester to operations research analyst to planning team leader, by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been Senior V.P. at SCS since February, 2000.</p>			
<b>Auditor Name:</b>	Mr. Michael Ferrucci	<b>Auditor role:</b>	SFI Lead auditor
<p><b>Qualifications:</b> Mike is a founding partner and President of Interforest, LLC where he is responsible for the assembly and management of integrated teams of scientists and professional managers to solve complex forestry problems. He is also responsible for the firm’s forest certification program, which includes SFI and FSC certification and preparation services. Mike is also the SFI Program Manager for NSF – International Strategic Registrations and is responsible for all aspects of the firm’s SFI Certification programs. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mike has 27 years of forest management experience. He has conducted or participated in assessments of forest management on more than 14 million acres of forestland in 27 states.</p>			

**1.2 Total time spent on evaluation**

A. Number of days spent on-site assessing the applicant:	3
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	4
<b>D. Total number of person days used in evaluation:</b>	<b>10</b>
<b>(Line D = (Total number of days in Line A x Total number of auditors from Line B) + additional days from Line C.</b>	

### 1.3 Standards Employed

Box 1.3.1. – Applicable FSC-Accredited Standards		
Title	Version	Date of Finalization
FSC-US Forest Management Standard	V1-0	July 8, 2010
All standards employed are available on the websites of FSC International ( <a href="http://www.fsc.org">www.fsc.org</a> ), the FSC-US ( <a href="http://www.fscus.org">www.fscus.org</a> ) or the SCS Forest Conservation Program homepage ( <a href="http://www.scs-certified.com/forestry">www.scs-certified.com/forestry</a> ). Standards are also available, upon request, from Scientific Certification Systems ( <a href="http://www.scs-certified.com">www.scs-certified.com</a> ).		

### 2.0 Annual Audit Dates and Activities

#### 2.1 Annual Audit Itinerary and Activities

Date: October 18, 2011	
FMU/Location/ sites visited*	Activities/ notes
Traverse City Office	Opening Meeting: Introductions, client update, review audit scope, audit plan, intro/update to FSC and SCS standards and protocols, SFI and NSF standards and protocols, review of open CARs/OBS, final site selection.
Cadillac FMU	<i>C140, (discuss C111), C138, C 129 planting sites, and roads/bridge</i>
Date: October 19, 2011	
FMU/Location/ sites visited*	Activities/ notes
Atlanta FMU	<i>(RH) East Team: C88, C89, Snowmobile ORV/RDR repairs, 1 active sale, Wildlife Flooding (MF) West Team: C12, C121, C125 prescriptions relating to KW, planting, roads/bridges, hardwood thinning if possible</i>
Traverse City Office	
Date: October 20, 2011	
FMU/Location/ sites visited*	Activities/ notes
Traverse City FMU	<i>Sites: C41 Lone Track Hardwood; C42 Active harvest logger interviews, trail; 45 Sands Lake Quiet Area, BSA; C156 2012 YOE discuss planning process; examples of unmaintained two-track roads</i>
Traverse City Office	Closing Meeting Preparation: Auditor(s) take time to consolidate notes and confirm audit findings Closing Meeting and Review of Findings: summarized audit findings, potential non-conformities and next steps.
<i>Add more rows as necessary.</i>	

### 3.0 Changes in Management Practices

There were no significant changes in the management and/or harvesting methods that negatively affect the FME's conformance to the FSC standards and policies. Changes focused on responding to CARs and OFIs; Michigan DNR returned to previous organizational status, the organization is no longer combined with the environmental regulatory agencies that had been recently added to create the (discontinued) Michigan Department of Natural Resources & Environment.

5.0 Corrective Action Requests (CARs) and Observations (OBSs)

## Disposition of 2010 Findings

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.1</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input checked="" type="checkbox"/> Other deadline (specify): 30 days after award of certification	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 1.6.a
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>  <i>(Describe and provide objective evidence)</i>  MDNR has not made publicly available a statement that complies with National Indicator 1.6.a.	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>  Develop and make publicly available a written statement of commitment to manage the “in scope” State Forest lands in conformance with FSC standards and policies, including the FSC-US Land Sales Policy.	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>  Describe action taken by the FME to address the root cause of the non-conformity	

A public statement was drafted and posted on the MDNR web site, on the Forest Certification web page.

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

An email containing the URL for the public statement posted on the MDNR web site was conveyed to SCS on February 15, 2011.

<p>FME Representative Name and Title</p> <p>Dennis Nezich, Forest Certification Specialist</p>	<p>Date</p> <p>February 15, 2011</p>
--	--------------------------------------

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

On the basis of the statement of commitment to manage the Michigan state forests in conformity to the FSC principles and criteria of forest stewardship, that was confirmed to be posted on the MDNR web site, SCS concludes that closure of this Minor CAR is warranted.

- CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION *(refer to description above)*

<p>SCS Representative Name and Title <i>(CAR/OBS reviewer)</i></p> <p>Kyle Meister, Verification Forester</p>	<p>Date of Acceptance of Corrective Action</p> <p>February 16, 2011</p>
---	---

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.2</b>
<b>Select one:</b>	<input type="checkbox"/> <b>Major CAR</b> <input checked="" type="checkbox"/> <b>Minor CAR</b> <input type="checkbox"/> <b>Observation</b>
<b>Site CAR/OBS issued to</b> (where more than one site)	
<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/>	3 months from above Date of Issuance
<input type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input checked="" type="checkbox"/>	Other deadline (specify): 30 days after award of certification
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 1.6.b
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)	
(Describe and provide objective evidence)	
MDNR has not documented, in brief, the reasons for seeking partial certification that complies with National Indicator 1.6.a.	
<b>REQUESTED CORRECTIVE ACTION</b> (or Observation)	
Convey to SCS a document that, in brief, explains the reasons for seeking partial certification, referencing FSC-POL-20-002, describing the locations of other managed forest units, the natural resources found on the holdings being excluded from certification, and the activities planned for the excluded lands.	
<b>IMPLEMENTED CORRECTIVE ACTION</b> (Response to Observations is optional)	
Describe action taken by the FME to address the root cause of the non-conformity	

A written justification for excluding certain Michigan state lands from the scope of MDNR's FSC FM certification was drafted in response to this CAR.

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

The written justification was conveyed to SCS via email on April 6, 2011.

FME Representative Name and Title

Dennis Nezich, Forest Certification Specialist

Date

April 6, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

SCS concludes that the written justification for excluding certain state owned lands (e.g., state parks, wildlife management units) from the scope of MDNR's FSC FM certification constitutes an adequate response to this Minor CAR. Accordingly, closure of this Minor CAR is warranted.

CLOSED

UPGRADED TO MAJOR

OTHER DECISION *(refer to description above)*

SCS Representative Name and Title *(CAR/OBS reviewer)*

Kyle Meister, Verification Forester

Date of Acceptance of Corrective Action

May 20, 2011

**CAR/OBS Number** (e.g. 1, 2, ...)

**2010.3**

**Select one:**

Major CAR

Minor CAR

Observation

<b>Site CAR/OBS issued to</b> (where more than one site)	
<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/>	3 months from above Date of Issuance
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input type="checkbox"/>	Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicators 3.3.a, 3.3.b, 8.2.d.5
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>	
<i>(Describe and provide objective evidence)</i>	
MDNR's consultation with native American tribes does not presently comply with National Indicators 3.3.a, 3.3.b, & 8.2.d.5.	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>	
Review and revise methods for outreach to native American tribes with an aim at securing a higher level of response and collaboration, by employing more culturally appropriate consultative procedures.	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>	
Describe action taken by the FME to address the root cause of the non-conformity	
The Forest Certification Coordinator compiled a collection of documents providing evidence that MDNR attempts to reach out to a large number of tribal representatives.	
<b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i>	

On October 17, 2011, MDNR conveyed to the SCS lead auditor:

- A table of contacts for Michigan Indian Tribes
- A print-out of FMD Field- 2011 Record of meetings, workshops, and other key interaction with Michigan Tribes
- Copies of press releases announcing solicitations of public input
- Other DNR correspondence indicating contacts or efforts at contact with tribal representatives

FME Representative Name and Title	Date
Dennis Nezich, Forest Certification Specialist	October 17, 2011 and November 15, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

SCS does not consider MDNR’s response, as of October 17, 2011, to this Minor CAR to be properly directed. Rather than providing evidence of completion of an internal review of the means, modes and manners with which MDNR personnel interact with native American tribes, the response was instead a collection of various documents that were, we infer, intended to provide evidence to SCS that MDNR engages in efforts to reach out to native American tribes. Unfortunately, a mere compilation of ongoing efforts to contact native American tribes is not what was requested in this CAR. No evidence was provided at the time of the 2011 annual audit that would indicate that MDNR has undertaken the requested “Review and revise methods for outreach to native American tribes with an aim at securing a higher level of response and collaboration, by employing more culturally appropriate consultative procedures.”

Accordingly, SCS concludes that elevation of this Minor CAR to status of MAJOR is required if satisfactory evidence to warrant closure is not provided to SCS by the time the written 2011 audit findings are conveyed to MDNR.

Lead auditor findings as of October 20, 2011: Effective January 1, 2012, unless MDNR provides evidence of a completed review prior to issuance of the 2011 annual surveillance audit report, this CAR will be upgraded to MAJOR. MDNR must provide satisfactory evidence to warrant closure by April 1, 2012 to avoid suspension of its FSC certification.

NOTE: Prior to issuance of the written Findings of the 2011 audit, MDNR (on November 15, 2011) submitted several documents to SCS describing actions the Department undertook in response to this CAR after the 2011 field visit by the SCS audit team. The documents included minutes from a November 4, 2011, meeting of

senior DNR personnel involved in tribal interactions; the November 4<sup>th</sup> meeting was held for the express purpose of conducting an internal review of the modes and methods of tribal interaction, for the purpose of identifying opportunities for improving the effectiveness of efforts to reach out to and interact with Michigan tribes.

The minutes of the meeting clearly indicate that a substantive review was accomplished. On November 15, 2011, Forest Certification Coordinator Dennis Nezich wrote to the SCS lead auditor:

Please find attached the minutes from my Department's November 4, 2011 Tribal meeting which was held to review current methods of tribal outreach related to management of the state forest system, and to identify revised methods for tribal contacts with an aim at securing a higher level of response and collaboration. The decisions made at this meeting will be employed in 2012. I also attached three documents that were referenced during this tribal meeting.

ON THE BASIS OF THE SUPPLEMENTARY RESPONSIVE ACTIONS UNDERTAKEN BY MDNR BETWEEN OCTOBER 20<sup>TH</sup> AND NOVEMBER 15<sup>TH</sup>, 2011, THE SCS LEAD AUDITOR CONCLUDES THAT CLOSURE OF THIS CAR IS NOW WARRANTED.

- CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	November 20, 2011

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.4</b>
<b>Select one:</b> <input type="checkbox"/> <b>Major CAR</b> <input checked="" type="checkbox"/> <b>Minor CAR</b> <input type="checkbox"/> <b>Observation</b>	
<b>Site CAR/OBS issued to</b> (where more than one site)	

<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	months from above Date of Issuance Next audit (surveillance or re-evaluation) Pre-condition to certification Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 4.2.b
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>  <i>(Describe and provide objective evidence)</i>  Forest workers and DNR employees do not consistently demonstrate adherence to a safe work environment in the field.	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>  Design, implement and document actions to assure more consistent forest worker and DNR employee adherence to the DNR's safety policies, guidelines and contract terms.	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>  Describe action taken by the FME to address the root cause of the non-conformity  Development of additional written guidance regarding safety policies, guidelines and applicability to contract loggers.	
<b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i>	

MDNR conveyed, on October 20, 2011, a copy of an Interoffice Communication from FMD Division Chief Lynne Boyd to all DNR Employees. The memo was dated September 27, 2011 and was titled, Personal Protective Equipment Requirements for Employees and Loggers.

FME Representative Name and Title	Date
Dennis Nezich, Forest Certification Specialist	October 17, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The September 27<sup>th</sup> memo is found by the lead auditor to be adequately responsive to this Corrective Action Request, both in its content and in its distribution. Regarding content, we note this sentence in the memo, in particular: "This means that all contractors working on a logging job must follow the MIOSHA standards; there are no exceptions." A similar statement is made in the memo with regard to DNR employee adherence to safety requirements.

The SCS lead auditor concludes that MDNR's response to this CAR is sufficient to warrant its closure.

- CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	October 20, 2011

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.5</b>
<b>Select one:</b>	<input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation
<b>Site CAR/OBS issued to</b> (where more than one site)	
<b>Deadline for Corrective Action by FME</b>	

<input type="checkbox"/>	3 months from above Date of Issuance
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input type="checkbox"/>	Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 4.4.c
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>  <i>(Describe and provide objective evidence)</i>  People who are subject to direct adverse effects of management operations are not being adequately apprised of relevant activities in advance of the actions.	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>  Pursue measures to inform adjacent landowners of pending harvest or other site disturbing activities occurring at the boundary of State Forest property.	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>  Describe action taken by the FME to address the root cause of the non-conformity  A new set of unit-specific web pages on the MDNR web site were created. The intent is that interested stakeholders can consult these web pages in order to be informed about pending harvest or other site disturbing activities.	
<b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i>  Screen capture image of a sample (Atlanta FMU) of the new pages on the MDNR web site was printed and conveyed to SCS during the opening meeting of the 2011 audit.	

FME Representative Name and Title  Dennis Nezich, Forest Certification Specialist	Date  October 17, 2011
<p><b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b></p> <p><i>(Describe conclusion in detail)</i></p> <p>The SCS lead auditor considers MDNR's response to this CAR to be marginally adequate. The auditor notes that it requires 5 key strokes to arrive at one of the unit-specific pages and that there is no clear direction on the pathway for a web site user to take to get to the desired pages. Once on a unit-specific web site, the user must navigate through (scroll down) a complex web page in order to find compartment review links. Determining which compartments may be of interest requires further research on the web site. While the information is ultimately discoverable, only the most dedicated and computer-savvy web site users will likely find desired information easily. And what about neighboring landowners that do not have web access?</p> <p>So, while the development of these unit-specific web pages is a positive development and one that certainly enhances the robustness of the DNR's web site, it remains a question as the extent to which this method will actually result in neighboring landowners being adequately informed about pending site-disturbing activities on the state forests.</p> <p>Closure of this CAR is marginally warranted. See the follow-up Observation, later in this Findings Document.</p> <p><input checked="" type="checkbox"/> CLOSED</p> <p><input type="checkbox"/> UPGRADED TO MAJOR</p> <p><input type="checkbox"/> OTHER DECISION (refer to description above)</p>	
SCS Representative Name and Title (CAR/OBS reviewer)  Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action  October 20, 2011

CAR/OBS Number (e.g. 1, 2, ...)	2010.6
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	

<b>Site CAR/OBS issued to</b> (where more than one site)									
<p><b>Deadline for Corrective Action by FME</b></p> <table border="1" data-bbox="168 422 678 684"> <tr> <td data-bbox="168 422 220 489"><input type="checkbox"/></td> <td data-bbox="220 422 678 489">3 months from above Date of Issuance</td> </tr> <tr> <td data-bbox="168 489 220 556"><input checked="" type="checkbox"/></td> <td data-bbox="220 489 678 556">Next audit (surveillance or re-evaluation)</td> </tr> <tr> <td data-bbox="168 556 220 623"><input type="checkbox"/></td> <td data-bbox="220 556 678 623">Pre-condition to certification</td> </tr> <tr> <td data-bbox="168 623 220 684"><input type="checkbox"/></td> <td data-bbox="220 623 678 684">Other deadline (specify):</td> </tr> </table>		<input type="checkbox"/>	3 months from above Date of Issuance	<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)	<input type="checkbox"/>	Pre-condition to certification	<input type="checkbox"/>	Other deadline (specify):
<input type="checkbox"/>	3 months from above Date of Issuance								
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)								
<input type="checkbox"/>	Pre-condition to certification								
<input type="checkbox"/>	Other deadline (specify):								
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.3.a.3								
<p><b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i></p> <p><i>(Describe and provide objective evidence)</i></p> <p>DNR does not presently have policies in place for assuring that all areas meeting the FSC definition of Type I and Type II Old Growth (see Glossary to the FSC US National Standard) are protected from harvest, while allowing for the exceptions stated in Indicator 6.3.a.3.</p>									
<p><b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i></p> <p>Develop and implement policies assuring conformance with the old growth protection requirements contained in Indicator 6.3.a.3.</p>									
<p><b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i></p> <p>Describe action taken by the FME to address the root cause of the non-conformity</p> <p>Key MDNR staff were assigned responsibility for assessing this CAR and formulating a response strategy an course of action. Revision to Work Instruction 1.4 formed the core of the response.</p>									
<p><b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i></p>									

- Revised Work Instruction 1.4
- Training log for 2011
- Annual Training Plan for 2012

FME Representative Name and Title	Date
Dennis Nezich, Forest Certification Specialist	October 17, 2011
<p><b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b></p> <p><i>(Describe conclusion in detail)</i></p> <p>With regard to development of new or revised guidance documents that will assure identification and protection of areas meeting the FSC definition of Type I and II Old Growth, we conclude that MDNR has provided satisfactory evidence of responsive action.</p> <p>With regard to training for assuring consistent implementation, we conclude that MDNR's response is not yet complete (3 of 15 FMU's had undergone training at the time of the 2011 surveillance audit). But on MDNR's assurance that the training for the remaining FMU's will take place in the first half of 2012, we consider the response to be marginally adequate.</p> <p>During the 2012 surveillance audit, we will check to confirm that the additional training did, indeed, take place.</p> <p><input checked="" type="checkbox"/> CLOSED (On the assurance that training will be completed in the first half of 2012)</p> <p><input type="checkbox"/> UPGRADED TO MAJOR</p> <p><input type="checkbox"/> OTHER DECISION (refer to description above)</p>	
SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	October 20, 2011

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.7</b>
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<b>Select one:</b>	<input type="checkbox"/> <b>Major CAR</b>	<input checked="" type="checkbox"/> <b>Minor CAR</b>	<input type="checkbox"/> <b>Observation</b>
<b>Site CAR/OBS issued to</b> (where more than one site)			
<b>Deadline for Corrective Action by FME</b>			
<input type="checkbox"/>	3 months from above Date of Issuance		
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)		
<input type="checkbox"/>	Pre-condition to certification		
<input type="checkbox"/>	Other deadline (specify):		
<b>Standard and Requirement Reference</b>		FSC US National Standard, Indicators 6.3.f, 6.3.g.1 & 7.3.a	
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>			
<i>(Describe and provide objective evidence)</i>			
<p>The MDNR retention guidelines do not assure adequate conformity with Indicators 6.3.f and 6.3.g.1. There is presently incomplete and inconsistent understanding by MDNR personnel of the Department’s retention guidelines.</p>			
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>			
<ul style="list-style-type: none"> <li>a) Revise the retention guidelines to assure that all trees meeting the FSC definition of “legacy tree” are protected from harvest (see Glossary to the FSC US National Standard).</li> <li>b) Revise the retention guidelines to assure that “habitat components and associated stand structures” are retained during harvest operations “in abundance and distribution that could be expected from naturally occurring processes” and that include the elements articulated in Indicator 6.3.f (a) &amp; (b). For even-aged regeneration harvests and for salvage harvests, assure that “live trees and other native vegetation are retained within the harvest unit in a proportion and configuration that is consistent with the characteristic natural disturbance regime unless retention at a lower level is necessary for purposes of restoration or rehabilitation.”</li> <li>c) Upon completing revisions to the retention guidelines, conduct training to assure consistent and accurate understanding by employees who implement the guidelines.</li> </ul>			
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>			
Describe action taken by the FME to address the root cause of the non-conformity			

A retention committee was formed, chaired by Tom Haxby. This committee was assigned responsibility for developing the additional documentation or revisions to existing Work Instructions needed to respond to this CAR.

EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM *(please list)*

- Revised Work Instruction 1.4
- Development of an additional retention guidance document
- Retention Committee report was developed
- Annual training plan for 2012

FME Representative Name and Title

Date

Dennis Nezich, Forest Certification Specialist

October 17, 2011

SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION

The most salient/substantive element of MDNR’s response to this CAR is the revision of Work Instruction 1.4 along with development of a separate retention guidance document; however, neither document was been finalized at the time of the surveillance audit. Once finalized, we consider the revised guidance sufficient to assure, to an acceptable level of likelihood, that trees meeting the FSC definition of “legacy tree” will be protected.

The audit team was assured that the retention documents would be finalized in December 2011.

Regarding part (b) of this CAR: paragraph 1 of the Executive Summary to the Retention Committee Report confirms that the scope of the additional retention guidance includes “habitat components and associated stand structures.”

Regarding part (c) of this CAR: we conclude that implementation of associated employee training to assure consistent implementation of the retention guidance is not complete; indeed, it has not yet been substantively initiated. Rather, retention training will be part of the 2012 training agenda for the Department. While this does not constitute exemplary response to this CAR, we conclude that response to part (c) is marginally

adequate.

**CLOSED** As conveyed orally during the October 20<sup>th</sup> closing meeting, the audit team concludes that MDNR has undertaken considerable effort to address this CAR. It is our decision to close this CAR on the express assumption that MDNR provides evidence of finalization of the revised retention guidance documents. During the audit, MDNR indicated to the auditors that these documents would be finalized in December, 2011. In the absence of documentary evidence confirming finalization of these retention guidance documents by February 1, 2012, this CAR will be re-instated and raised to status of MAJOR. If this CAR is upgraded to MAJOR, MDNR must provide satisfactory evidence to warrant closure by May 1, 2012 to avoid suspension of its FSC certification.

**UPGRADED TO MAJOR**

**OTHER DECISION** (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer) Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action December 20, 2011
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**IMPLEMENTED CORRECTIVE ACTION** (*Response to Observations is optional*)

The following correspondence was sent on 2/1/12:

Hello Robert,

FSC CAR 2010.7 was closed on the express assumption that the DNR will provide evidence of finalization of revised retention guidance documents. You requested that documentary evidence confirming finalization of these retention guidance documents be provided by February 1, 2012 in order to avoid re-instating the CAR and raising it to the status of MAJOR.

The following three documents are attached:

1. A memo from the Forest Resources Division (FRD) Forest Planning and Operations Section Manager to the Wildlife Division Management Team, Forest Resources Division Management Team, and FRD Unit Managers that rolls out the revised within stand retention guidance for immediate implementation.

2. A copy of the newly revised within stand retention guidance, DNR Form IC 4110 (revised 1/27/2012).
3. A new companion document, the Within-Stand Retention Reference Guide (IC4110-1), which is intended to serve as a quick reference for staff and that includes the main definitions and direction for retention on State Forest lands related to timber harvest.

Please let me know if any other information or documentation is needed in order to put this CAR to rest.

Thank You,

Dennis Nezich

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

As usual a very thorough response from Michigan DNR.

I see no issues here and they have identified major areas where the public may dispute lack of retention in even-aged management stands, such as the Jack Pine that develops after stand replacing events usually thousands of acres in size.

SCS Representative Name and Title (CAR/OBS reviewer)  Kyle Meister, Certification Forester	Date of Acceptance of Corrective Action  2/21/12
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<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.8</b>
<b>Select one:</b> <input type="checkbox"/> <b>Major CAR</b> <input checked="" type="checkbox"/> <b>Minor CAR</b> <input type="checkbox"/> <b>Observation</b>	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	

<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/>	3 months from above Date of Issuance
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input type="checkbox"/>	Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 7.1.I
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i>	
<i>(Describe and provide objective evidence)</i>	
<p>Because the Department’s silvicultural guidelines are outdated for some cover types, silvicultural systems employed by MDNR do not assure that ecosystems present on the FMU will be sustained for the long term. Some field foresters are imprecise in their use of silvicultural terminology and concepts.</p>	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i>	
<p>Update outdated elements of the Department’s silvicultural guidelines. Conduct additional training to assure more consistent and complete understanding of silvicultural principles and terminology.</p>	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i>	
<p>Describe action taken by the FME to address the root cause of the non-conformity</p> <ul style="list-style-type: none"> <li>• Two new intranet pages were developed</li> <li>• New silvicultural training has been developed</li> <li>• 3 or 4 remote “Go to Meetings” were held</li> <li>• A new Silvics and Management guidance Manual has been developed but is still in draft form; guidance for three major trees species were revised</li> </ul>	
<b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i>	

- Email correspondence from Debbie Begalle to Margaret Spagnuolo
- PPT presentation, entitled "Silviculture Terminology"
- PPT presentation, entitled "Within-Stand Retention Guidelines Training"
- List of DNR employees who attended silviculture training
- Annual Training Plan for 2012

FME Representative Name and Title	Date
Dennis Nezich, Forest Certification Specialist	October 17, 2012

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

While the audit team does not consider MDNR's responsive actions to be thoroughly complete, we conclude that the response is sufficient to warrant closure of this CAR. The audit team notes the assurances provided by MDNR staff that the training will be completed in due course (i.e., in 2012). There is a new Silvics and Management Guidance Manual but it is still in draft form; guidance was revised for three major species. At the October 2011 audit, DNR personnel assured the SCS lead auditor that the Management Team would finalize/approve the retention documents in December. A new silvicultural training curriculum has been developed and "3-4" Go to Meeting web-based training sessions had been held prior to October 17, 2011. A new intranet page has been created to facilitate uptake of the new guidance.

X      CLOSED

          UPGRADED TO MAJOR

          OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	October 20, 2011

**CAR/OBS Number** (e.g. 1, 2, ...) **2010.9**

**Select one:**       **Major CAR**       **Minor CAR**       **Observation**

**FMU CAR/OBS issued to** (when more than one FMU)

**Deadline for Corrective Action by FME**

<input type="checkbox"/>	3 months from above Date of Issuance
<input checked="" type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input type="checkbox"/>	Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicators 7.1.m
<b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i> <i>(Describe and provide objective evidence)</i> <p>The collection of publicly available documents constituting the management plan for the lands managed by MDNR do not describe how species selection and harvest rate calculations are developed and how the method meets the requirements for sustained yield harvest planning found in the FSC certification standard.</p>	
<b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i> <p>Develop as an element of the management plan a written description of the species selection and harvest rate calculation process, as required in Indicator 7.1.m.</p>	
<b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i> <p>Describe action taken by the FME to address the root cause of the non-conformity</p> <p>Staff assigned to development the annual timber harvest trends report were assigned responsibility, in part, for responding to this CAR. At the time of the 2011 annual surveillance audit, a draft version of the 2011 Michigan State Forest Timber Harvest Trends Report was made available to the SCS lead auditor. As of October 20, 2011, the draft report was not publicly available.</p>	
<b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i> <ul style="list-style-type: none"> <li>• 2011 Michigan State Forest Timber Harvest Trends Report (page 16) (still in draft form as of October 20, 2011)</li> <li>• The Michigan DNR Approach to Sustainable Timber Management of the State Forest—posted on the MDNR web site (available for public review), with notice of its posting conveyed to SCS on November 15, 2011.</li> </ul>	

FME Representative Name and Title Dennis Nezich, Forest Certification Specialist		Date October 17, 2011 and November 15, 2011	
<b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b> <i>(Describe conclusion in detail)</i>  On the basis of the documentary evidence provided to the audit team, both in conjunction with the October surveillance audit as well as the additional document conveyed on November 15, 2011, we conclude that closure of this CAR is now warranted. That is, there is now a publicly available (posted in the web) written summary of the how species selection and harvest rate calculations are developed.  X      CLOSED  UPGRADED TO MAJOR  OTHER DECISION (refer to description above)			
SCS Representative Name and Title (CAR/OBS reviewer) Robert J. Hrubes, Lead Auditor		Date of Acceptance of Corrective Action November 15, 2011	
CAR/OBS Number (e.g. 1, 2, ...)		2010.10	
<i>Select one:</i> <input type="checkbox"/> Major CAR		<input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU)			
<b>Deadline for Corrective Action by FME</b>  <input type="checkbox"/> 3 months from above Date of Issuance <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):			
<b>Standard and Requirement Reference</b>		FSC US National Standard, Indicator 8.5.a	

<p><b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i></p> <p><i>(Describe and provide objective evidence)</i></p> <p>The full array of results of monitoring activities undertaken on the “in scope” forestlands is not all publicly available. As well, the breadth and complexity of monitoring activities is such that results are not reasonably accessible to the public in the absence of a summary.</p>	
<p><b>REQUESTED CORRECTIVE ACTION</b> <i>(or Observation)</i></p> <p>MDNR must develop and make publicly available a summary of monitoring results covering the subject areas listed in Criterion 8.2. The summary must be periodically updated.</p>	
<p><b>IMPLEMENTED CORRECTIVE ACTION</b> <i>(Response to Observations is optional)</i></p> <p>Describe action taken by the FME to address the root cause of the non-conformity</p> <p>MDNR created a new web page on the Department’s web site intended to house content regarding monitoring activities and results.</p>	
<p><b>EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM</b> <i>(please list)</i></p> <p>Screen capture print-out of the new web page, Performance &amp; Monitoring Reports, was conveyed to the SCS lead auditor at the opening meeting of the 2011 audit.</p>	
<p>FME Representative Name and Title</p> <p>Dennis Nezich, Forest Certification Specialist</p>	<p>Date</p> <p>October 17, 2011</p>
<p><b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b></p>	

The audit team concludes that MDNR has submitted adequate evidence, albeit rather marginal, to warrant closure of this CAR. A monitoring report template has been developed and is posted on the Department's web site. MDNR is encouraged to expand the scope and detail of the information that is incorporated into these Performance & Monitoring Reports so as to more clearly cover the subject matters enumerated in Principle 8 of the FSC standard.

- X      CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	October 20, 2011

CAR/OBS Number (e.g. 1, 2, ...)	<b>2010.1</b>
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Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
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FMU CAR/OBS issued to (when more than one FMU)	
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<b>Deadline for Corrective Action by FME</b>  <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):
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Standard and Requirement Reference	FSC US National Standard, Indicator 4.1.a
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**NON-CONFORMITY** (or Background/ Justification in the case of Observations)  
  
 (Describe and provide objective evidence)

Eroding compensation received by DNR employees will further complicate the Department's challenge of maintaining its stewardship of the State Forest lands in the face of shrinking staffs and budgets.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

Not applicable; Observation

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION: Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)		Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor		Not applicable
CAR/OBS Number (e.g. 1, 2, ...)	2010.2	
Select one:	<input type="checkbox"/> Major CAR	<input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
FMU CAR/OBS issued to (when more than one FMU)		
<b>Deadline for Corrective Action by FME</b>		
<input type="checkbox"/>	3 months from above Date of Issuance	
<input type="checkbox"/>	Next audit (surveillance or re-evaluation)	
<input type="checkbox"/>	Pre-condition to certification	
<input type="checkbox"/>	Other deadline (specify):	
Standard and Requirement Reference	FSC US National Standard, Indicator 4.2.c	
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)		
(Describe and provide objective evidence)		

DNR should devote more effort at safety training for logging contractors and their employees. The requirement that one person who supervises a contract have logger training is marginal, at best.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer) Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action Not applicable
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<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.3</b>
<b>Select one:</b>	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/>	3 months from above Date of Issuance
<input type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input type="checkbox"/>	Other deadline (specify):
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 5.1.a
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)	
(Describe and provide objective evidence)	

Continued staff and budget reductions will strain the ability of DNR to maintain conformity to the certification standard.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNRE.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.4</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 5.6.d
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

There is active collection of non-timber forest products and some of this activity is acknowledged to likely have a commercial component (e.g., morel collection and sale to buyers). MDNR could increase its level of attention to managing NTFP collection activities.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

As we are not aware of any new actions undertaken by MDNR with respect to oversight of non-timber forest products harvesting/collection on the state forests, the SCS lead auditor concludes that it appropriate to maintain this OBS as open, for ongoing review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.5</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.3.d
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

The effects of high densities of deer in some regions and the associated impact on the natural species diversity in the forest, as well as the ability to adequately regenerate a productive forest, continues to be a concern expressed by stakeholders and some FMD foresters. A Cervid Herbivory Team was appointed to address this issue, but little progress has been made.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.6</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.3.h
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

There is an inconsistent level of attention being paid to invasive exotic species. The March 2009 Framework for Action needs to be followed up with tangible actions.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

MDNR provided the lead auditor with a document, dated October 12, 2011: Forest Management Division (FMD) Invasive Species Project 2011. The document provides a summary of invasive species related activities: ARRA funded projects undertaken, Pest & Disease Loan funding, Great Lakes Restoration Initiative funding, training and application development. Overall, this document conveys a sense that DNR is strengthening its focus on and efforts to control the spread of invasive species in Michigan.

FME Representative Name and Title

Date

Dennis Nezich, Forest Certification Coordinator

October 17, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

Closure of this OBS is warranted.	
X      CLOSED  UPGRADED TO MAJOR  OTHER DECISION (refer to description above)	
SCS Representative Name and Title (CAR/OBS reviewer)  Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action  Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.7</b>								
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation									
<b>FMU CAR/OBS issued to</b> (when more than one FMU)									
<b>Deadline for Corrective Action by FME</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; border: 1px solid black; height: 20px;"></td> <td>3 months from above Date of Issuance</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Next audit (surveillance or re-evaluation)</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Pre-condition to certification</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Other deadline (specify):</td> </tr> </table>			3 months from above Date of Issuance		Next audit (surveillance or re-evaluation)		Pre-condition to certification		Other deadline (specify):
	3 months from above Date of Issuance								
	Next audit (surveillance or re-evaluation)								
	Pre-condition to certification								
	Other deadline (specify):								
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.4.c								
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)									

There is an inconsistent level of understanding on the part of field personnel regarding the purpose of Biodiversity Stewardship Areas, especially whether or not (for some BSA's) their purpose is to serve as reference areas.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

The SCS lead auditor was provided with a copy of a memo signed by Director Stokes and dated July 12, 2011, that provided updated guidance to DNR personnel on the Living Legacy Project and the ongoing effort at designating BSA's.

FME Representative Name and Title

Date

Dennis Nezich, Forest Certification Coordinator

October 17, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

Closure of this OBS is warranted.	
X      CLOSED  UPGRADED TO MAJOR  OTHER DECISION (refer to description above)	
SCS Representative Name and Title (CAR/OBS reviewer)  Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action  Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.8</b>								
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation									
<b>FMU CAR/OBS issued to</b> (when more than one FMU)									
<b>Deadline for Corrective Action by FME</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; border: 1px solid black; height: 20px;"></td> <td>3 months from above Date of Issuance</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Next audit (surveillance or re-evaluation)</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Pre-condition to certification</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Other deadline (specify):</td> </tr> </table>			3 months from above Date of Issuance		Next audit (surveillance or re-evaluation)		Pre-condition to certification		Other deadline (specify):
	3 months from above Date of Issuance								
	Next audit (surveillance or re-evaluation)								
	Pre-condition to certification								
	Other deadline (specify):								
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.5.b								
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)									

The frequency and severity of ORV-related “RDRs” would be reduced by additional efforts to counter the unintended consequence of the ORV trail system—that they are vectors for unauthorized ORV activity that is causing resource damage.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

- In the “Miscellaneous” tab of the 3-ring binder of documents provided to the SCS lead auditor during the opening meeting of the 2011 audit, two documents were included that pertain to ORV use and resource damage created by unauthorized ORV activities: 2011 ACCOMPLISHMENTS RELATED TO IMPLEMENTATION OF THE OFF-ROAD VEHICLE MANAGEMENT PLAN October 6, 2011, and FUNDED ORV RESTORATION GRANTS ON STATE FOREST LANDS

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.9</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.5.d
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

There is insufficient investment in road maintenance. This is likely to result in future non-conformities if surveillance audits reveal adverse environmental impacts from poor road maintenance.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

In the "Miscellaneous" tab of the 3-ring binder of documents provided to the SCS lead auditor during the opening meeting of the 2011 audit, a document was included that pertained to investment in road and bridge maintenance: 2011 RDR and Road and Bridge Projects (10-13-11)

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer) Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action Not applicable
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<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.10</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.5.d
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

Overall management of the State Forest lands would be enhanced by completion of the access plan.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.11</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 6.5.g
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

Although progress has been made in the past 5 years, DNR should maintain and enhance efforts to control and minimize adverse environmental impacts from unauthorized ORV activities.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

In the "Miscellaneous" tab of the 3-ring binder of documents provided to the SCS lead auditor during the opening meeting of the 2011 audit, several documents were included that pertain to ORV use and resource damage created by unauthorized ORV activities. Of not, there was a summary document: 2011 Accomplishments Related to Implementation of the Off-Road Vehicle Management Plan, date October 6, 2011. A table of projects and expended funds on RDR and Board/Bridge projects was also provided.

Overall, the lead auditor is left with the impression that DNR is ramping up its efforts to address resource damage from unauthorized ORV activities.

FME Representative Name and Title

Date

Dennis Nezich, Forest Certification Coordinator

October 17, 2011

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

<p><i>(Describe conclusion in detail)</i></p> <p>Closure of this OBS is warranted.</p> <p>X      CLOSED</p> <p>          UPGRADED TO MAJOR</p> <p>          OTHER DECISION (refer to description above)</p>	
<p>SCS Representative Name and Title (CAR/OBS reviewer)</p> <p>Robert J. Hrubes, Lead Auditor</p>	<p>Date of Acceptance of Corrective Action</p> <p>Not applicable</p>

<p><b>CAR/OBS Number</b> (e.g. 1, 2, ...)</p>	<p><b>2010.12</b></p>
<p><b>Select one:</b>      <input type="checkbox"/> Major CAR      <input type="checkbox"/> Minor CAR      <input checked="" type="checkbox"/> Observation</p>	
<p><b>FMU CAR/OBS issued to</b> (when more than one FMU)</p>	
<p><b>Deadline for Corrective Action by FME</b></p> <p><input type="checkbox"/> 3 months from above Date of Issuance</p> <p><input type="checkbox"/> Next audit (surveillance or re-evaluation)</p> <p><input type="checkbox"/> Pre-condition to certification</p> <p><input type="checkbox"/> Other deadline (specify):</p>	
<p><b>Standard and Requirement Reference</b></p>	<p>FSC US National Standard, Indicator 6.10.d</p>
<p><b>NON-CONFORMITY</b> <i>(or Background/ Justification in the case of Observations)</i></p> <p><i>(Describe and provide objective evidence)</i></p>	

Conversion of natural forests such as hardwood stands to red pine, even if such stands are considered “off site,” needs to be done in a manner that does not constitute a conversion to a plantation, as defined by the FSC. In such cover type conversions, efforts at maintaining hardwood elements and generally assuring a level of biodiversity above a traditional red pine row-planted stand, will help to avoid a finding that MDNR is engaging in conversion to “FSC plantations.”

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.13</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 7.2.a
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

While meaningful progress has been made in the regional state forest management planning process since the 2009 audit, the task remains highly complex and challenging and still not yet completed. Marshalling additional resources and, if need be, streamlining some of the procedures in order to complete all three regional plans by the time of the 2011 audit would be clearly advantageous.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

An updated timeline for completion of the Regional State Forest Management Plans was included in the 3-ring binder provided to the lead auditor during the opening meeting of the 2011 audit. The updated timeline indicates further delays in the completion of the Plans. As of the October audit, SCS has been assured that the draft plans will be completed by the end of December 2011, or early 2012.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

For reasons essentially the same as prior years, DNR was again unable to meet its assurances of the date of completion of the Regional State Forest Management Plans. SCS is left with no option but, again, to raise a non-conformity with respect to this matter. See Minor CAR 2011.1.

CLOSED

X UPGRADED TO MINOR CORRECTIVE ACTION REQUEST (See next section of this table)

OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.14</b>
<b>Select one:</b> <input type="checkbox"/> <b>Major CAR</b> <input type="checkbox"/> <b>Minor CAR</b> <input checked="" type="checkbox"/> <b>Observation</b>	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 7.3.a
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

Logger training requirements are weak and do not include basic silviculture training.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer) Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action Not applicable
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<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.15</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 7.4.b
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

Draft elements of regional state forest management plans are being used without easily accessible opportunities for public review and comment prior to their use. While we acknowledge the rationale for doing so (the benefit of incorporating, for instance, new scientific information as it become available rather than waiting for an indefinite period of time for a plan to be completed), we note that such a practice, if not carefully limited, can reduce the degree to which the plan development process is consultative.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

As no further benefit will accrue from maintaining the OBS, we conclude that it is appropriate to close it. That is, the pending completion of the Regional State Forest Management Plans will render this OBS moot.

- X CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.16</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 8.1.a
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations) (Describe and provide objective evidence)	

Only 1 of 3 districts has completed a draft of Chapter 6 of the regional state forest management plans. Conformance to this Indicator will be enhanced if MDNR hastens the completion and implementation of monitoring protocols.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

An updated timeline for completion of the Regional State Forest Management Plans was provided in the 3-ring binder conveyed to the SCS lead auditor during the opening meeting of the 2011 audit. Unfortunately, the pace of completion was not hastened but, rather, further delayed. See new Major CAR in the next section of this table.

FME Representative Name and Title	Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

This OBS is rendered moot by issuance of a new Major CAR. As such, it is being closed.

- X CLOSED
- UPGRADED TO MAJOR
- OTHER DECISION (refer to description above)

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.17</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 8.2.a.1
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

MDNR's current inventory system is not in strong conformance with regard to the requirements in this Indicator pertaining to volumes and regeneration.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

The underlying circumstances persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.18</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b> <input type="checkbox"/> 3 months from above Date of Issuance <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> Other deadline (specify):	
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 9.3.c
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)	

There is uncertainty amongst some stakeholders who have been actively engaged in MDNR's biodiversity planning, including the identification of biodiversity stewardship areas, as to the compatibility of BSA designation on private lands with the requirements for partnership in the CFA program.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

The SCS lead auditor was provided with a copy of a memo signed by Director Stokes and dated July 12, 2011, that provided updated guidance to DNR personnel on the Living Legacy Project and the ongoing effort at designating BSA's. This memo was made available to interested stakeholders.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

Closure of this OBS is warranted.	
X      CLOSED  UPGRADED TO MAJOR  OTHER DECISION (refer to description above)	
SCS Representative Name and Title (CAR/OBS reviewer)  Robert J. Hrubes, Lead Auditor	Date of Acceptance of Corrective Action  Not applicable

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2010.19</b>								
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation									
<b>FMU CAR/OBS issued to</b> (when more than one FMU)									
<b>Deadline for Corrective Action by FME</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; border: 1px solid black; height: 20px;"></td> <td>3 months from above Date of Issuance</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Next audit (surveillance or re-evaluation)</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Pre-condition to certification</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td>Other deadline (specify):</td> </tr> </table>			3 months from above Date of Issuance		Next audit (surveillance or re-evaluation)		Pre-condition to certification		Other deadline (specify):
	3 months from above Date of Issuance								
	Next audit (surveillance or re-evaluation)								
	Pre-condition to certification								
	Other deadline (specify):								
<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 5.3.a								
<b>NON-CONFORMITY</b> (or Background/ Justification in the case of Observations)  (Describe and provide objective evidence)									

In selection harvests where trees to be cut are marked with paint, DNR's interests would be better served if there were more diligent efforts to assure that the butts of cut trees are also clearly painted. Without clear butt marks, it is impossible to know, after the fact, if trees not marked for harvest were in fact cut.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

**EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM** *(please list)*

No written response to this OBS has been provided by DNR.

FME Representative Name and Title

Date

**SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION**

*(Describe conclusion in detail)*

We were not provided with any information to suggest that the underlying circumstances do not persist; as such, the SCS lead auditor concludes that it is appropriate to keep this Observation open, for continued review during the 2012 audit.

CLOSED

UPGRADED TO MAJOR

X OTHER DECISION Maintain as an Open OBS, for review during the 2012 audit.

SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	Not applicable

## New Findings from the 2011 Audit

**One Minor CAR and one Observation were raised as a result of the 2011 annual surveillance audit.**

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2011.1</b>
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<b>Deadline for Corrective Action by FME</b>	
<input type="checkbox"/>	3 months from above Date of Issuance
<input type="checkbox"/>	Next audit (surveillance or re-evaluation)
<input type="checkbox"/>	Pre-condition to certification
<input checked="" type="checkbox"/>	Other deadline (specify): See due dates, in the requested correction action block, below.

<p><b>Standard and Requirement Reference</b></p>	<p>FSC US National Standard, Criterion 7.2</p>
<p><b>NON-CONFORMITY</b></p> <p>The Regional State Forest Management Plans remain unfinished. While some progress has occurred since the 2012 audit, the fact remains that completion of the Plans is years behind.</p>	
<p><b>REQUESTED CORRECTIVE ACTION (or Observation)</b></p> <ul style="list-style-type: none"> <li>a) Complete Task 10 of the “RSFMP SWC Approved Timeline -10.04.2011(1).xls” by March 1, 2012. That is, complete Draft 1 of the RSFMPs by the stipulated date. Note: This timeline, updated shortly prior to the 2011 annual audit, states that Task 10 is supposed to be completed by December 2011.</li> <li>b) Complete Ecoteam final approval of Draft 1 of the Regional State Forest Management Plans by May 1, 2012.</li> <li>c) Provide written evidence (e.g, copy of distributed public notice) that public review of the draft RSFMPs has been initiated by October 1, 2012.</li> </ul>	
<p><b>IMPLEMENTED CORRECTIVE ACTION (Response to Observations is optional)</b></p> <p>Describe action taken by the FME to address the root cause of the non-conformity</p> <p>Correspondence sent by Dennis Nezich on March 1<sup>st</sup> 2012:</p> <p style="padding-left: 40px;">Hello Robert,</p> <p>Part A of FSC CAR 2011.1 required that the first draft of the Regional State Forest Management Plans (RSFMPs) be completed and provided to the ecoteams for review by March 1, 2012. I am pleased to inform you that the three Draft plans for the Northern Lower Peninsula and the Eastern and Western Upper Peninsula were submitted to the Ecoteams yesterday.</p>	

Copies of the memos sent by the Forest Resources Division Planning Specialists to the Ecoteam Chairs are attached. We are mailing a CD containing each of the plans to you and Mike Ferrucci as we are unable to send them via email due to the file size.

As noted in the attached memos, the Ecoteams will complete their review of the plans, and send an updated draft along with documentation of any outstanding unresolved issues to the Division Management Teams for their review. This is to be completed by May 1, 2012, and should address Part B of the CAR.

Please let me know if any additional information or documentation is needed at this point in time.

Thanks,

Dennis Nezich

Correspondence sent by Dennis Nezich on May 3<sup>rd</sup>, 2012:

Hello Robert,

Part B of FSC CAR 2011 requires that the DNR ecoteams complete their review of the Draft Regional State Forest Management Plans (RSFMPs) by May 1, 2012. This has been accomplished and the Northern Lower Peninsula, Eastern Upper Peninsula, and Western Upper Peninsula ecoteams have submitted the results of their review to the DNR's Statewide Council. The next step in our planning process is for the various Division Management teams to review and further refine the draft plans, address unresolved issues as identified by the ecoteams, and prepare revised draft RSFMPs for public review. Part C of this CAR requires that my department initiate public review of the draft plans by October 1, 2012.

My attachments provide documentation of the completion of ecoteam review. The two Upper Peninsula memos provide the dates of formal ecoteam and local management unit meetings, along with a summary of issues that need resolution at the next review level. The Northern Lower Peninsula memo does not provide

local meeting dates, so a companion document was prepared that provides this information (along with a list of meeting participants). No unresolved issues were identified as part of the NLP ecoteam review.

Additional more detailed information can be provided if you need it, including summaries of the changes that the ecoteams made to the first versions of the RSFMPs which were sent to you in early April.

Please let me know if any additional information is required in order to clear part B of FSC CAR 2011.1.

Thank You,

Dennis Nezich

EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM *(please list)*

(To be completed by MDNR prior to the due date for this CAR)

NLP Ecoteam Memo re RSFMP

E UP Ecoteam Memo re RSFMP

W UP Ecoteam Memo re RSFMP

W UP MA Memo to Statewide Council 04 30 2012

NLP Memo to Statewide council RSFMP

EUP MA memo to Statewide Council 04 30 2012

NLP FMU RSFMP Meeting Dates and Participants

FME Representative Name and Title  Dennis Nezich	Date  3/1/12 and 5/3/12
<p><b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b></p> <p><i>(Describe conclusion in detail)</i></p> <p>SCS has reviewed the ongoing efforts to update the Regional State Forest Management plans, including the communications from MDNR and associated documentation. So far MDNR has met the two deadlines that have passed so far (the initial drafts and Ecoteam final approvals of the initial drafts). The third milestone to be assessed, whether public review has begun, will be reviewed during the 2012 surveillance audit.</p> <p>CLOSED</p> <p>UPGRADED TO MAJOR</p> <p>X OTHER DECISION: Maintained for ongoing assessment</p>	
SCS Representative Name and Title (CAR/OBS reviewer)  Brendan Grady, Program Manager – Forest Management Certification	Date of Acceptance of Corrective Action  6/26/12

<b>CAR/OBS Number</b> (e.g. 1, 2, ...)	<b>2011.1</b>
<p><b>Select one:</b>      <input type="checkbox"/> Major CAR      <input type="checkbox"/> Minor CAR      <input checked="" type="checkbox"/> Observation</p>	
<b>FMU CAR/OBS issued to</b> (when more than one FMU)	
<p><b>Deadline for Corrective Action by FME</b></p> <p><input type="checkbox"/> 3 months from above Date of Issuance</p> <p><input type="checkbox"/> Next audit (surveillance or re-evaluation)</p> <p><input type="checkbox"/> Pre-condition to certification</p>	

Other deadline (specify):

<b>Standard and Requirement Reference</b>	FSC US National Standard, Indicator 4.4.c
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**OBSERVATION**

While the launch of unit-specific web pages is a positive development and one that enhances the robustness of the DNR's web site, it remains a question as to the extent to which this method will actually result in affected stakeholders, such as neighboring landowners, being adequately informed about pending site-disturbing activities on the state forests.

DNR should continue to actively explore other, more efficacious means of apprising, in advance, people who are possibly subject to direct adverse effects of management operations; the intent is to provide advance knowledge of planned activities so that affect parties may have an opportunity to express concerns or provide timely input.

**REQUESTED CORRECTIVE ACTION** *(or Observation)*

**IMPLEMENTED CORRECTIVE ACTION** *(Response to Observations is optional)*

Describe action taken by the FME to address the root cause of the non-conformity

(To be completed by DNR prior to the 2012 annual audit)	
EVIDENCE OF CONFORMANCE SUBMITTED WITH THIS FORM <i>(please list)</i>	
(To be completed by MDNR prior to the 2012 annual audit)	
FME Representative Name and Title	Date
<p><b>SCS REVIEW / ACCEPTANCE OF CORRECTIVE ACTION</b></p> <p><i>(Describe conclusion in detail)</i></p> <p>(To be completed by SCS upon receipt of responses from MDNR)</p>          <p>CLOSED</p> <p>UPGRADED TO MAJOR</p> <p>OTHER DECISION</p>	
SCS Representative Name and Title (CAR/OBS reviewer)	Date of Acceptance of Corrective Action
Robert J. Hrubes, Lead Auditor	

**6.0 Stakeholder Comment\***

Version 5-0  
June 2011

SCS conducts stakeholder outreach as part of annual audits in order to assess on-going conformance to the applicable FSC standards. Stakeholder consultation activities can include telephone calls, written letters, emails or consultation in the field. The results of stakeholder consultation activities are summarized below. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS have been noted.

<b>Box 6.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable</b>	
<b>Stakeholder comments</b>	<b>SCS Response</b>
<b>Economic concerns</b>	
None received	
<b>Social concerns</b>	
None received	
<b>Environmental concerns</b>	
There is an opportunity to improve protection of regeneration from adverse effects of deer on natural regeneration	A Cervid Herbivory Team was appointed to address this issue, but little progress has been made. The audit team will consider this issue in the 2012 audit.

## 7.0 Certification Decision

<b>Box 7.1 Surveillance Decision</b>	
The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME's response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: None.	

**Section B - Appendices**

**Appendix 1 – List of FMUs selected for evaluation (CONFIDENTIAL)**

<input checked="" type="checkbox"/> FME consists of a single FMU – <i>No further action required</i>
<input type="checkbox"/> FME consists of multiple FMUs – <i>See table below, which applies to multiple FMU and group management evaluations, but is inapplicable if the scope of the evaluation is a single FMU.</i>

**Appendix 2 – Evaluation of Management Systems (CONFIDENTIAL)\***

The three sites visited, Cadillac, Atlanta, and Traverse City, were selected based on proximity and due to length of time since previous audits. Document review was conducted at the Traverse City Field Office and stakeholder consultation was conducted prior to the field audit. Much of the audit was conducted jointly with both auditors; though on the second day the team divided to see different sections of the forest site and evaluate different criteria. Auditors consolidated findings before the closing meeting.

**Appendix 3 – Stakeholder analysis (CONFIDENTIAL)\***

**3.1 Stakeholder list (CONFIDENTIAL)**

**List of FME Staff Consulted**

<b>Name</b>	<b>Title</b>	<b>Contact</b>	<b>Consultation method</b>
Lynne Boyd	FMD Division Chief		Interview/Field Consultation
Bill O'Neill	FMD Field Coordinator		Interview/Field Consultation
Penney Melchoir	WLD Field Coordinator		Interview/Field Consultation
Debbie Begalle	Acting FMD FRM Section Manager		Interview/Field Consultation
David Price	Unit Supervisor, Forest Planning and Operations		Interview/Field Consultation

Dennis Nezich	Forest Certification Specialist		Interview/Field Consultation
Tom Haxby	WLP Inventory and Planning Specialist		Interview/Field Consultation
David Shaw	District 4 Law Supervisor		Interview/Field Consultation
Bill Sterrett	FMD District Supervisor		Interview/Field Consultation
Scott Throop	FMD Timber Mgt Specialist		Interview/Field Consultation
Amanda Matelski	FMD ORV Specialist		Interview/Field Consultation
Rex Ainslie	WLD Regional Supervisor		Interview/Field Consultation
Ashley Hippler	WLD Deer Biologist NLP and UP		Interview/Field Consultation
Tim Lyon	WLD Wildlife Technician		Interview/Field Consultation
Mark Knee	WLD Wildlife Technician		Interview/Field Consultation
Dave Fisher	FMD Unit Manager		Interview/Field Consultation
Bruce Tower	FMD Fire Supervisor		Interview/Field Consultation
Joe Ventimiglia	FMD Forester/Technician, Manton Field Office		Interview/Field Consultation
James Malloy	FMD Forester/Technician, Manton Field Office		Interview/Field Consultation

Steven Eisele	FMD Forester/Technician, Manton Field Office		Interview/Field Consultation
Blair Tweedale	FMD Forester		Interview/Field Consultation
Derek Cross	FMD Forester		Interview/Field Consultation
Rich O'Neal	Fisheries Division, Central Lake Michigan		Interview/Field Consultation
Jeff Stampfly	FMD District Supervisor		Interview/Field Consultation
Tim Greco	FMD Timber Mgt Specialist		Interview/Field Consultation
Paige Perry	FMD Recreation Specialist		Interview/Field Consultation
Brian Mastenbrook	WL Biologist Supervisor		Interview/Field Consultation
Cody Stevens	FMD Unit Manager		Interview/Field Consultation
Rob Pelton	FMD Fire Supervisor		Interview/Field Consultation
Tim Cwalinski	FD Biologist		Interview/Field Consultation
Jennifer Kleitch	WLD Biologist		Interview/Field Consultation
Erin Victory	WLD Intern		Interview/Field Consultation
CO Bill Webster	LED		Interview/Field Consultation
Jeff Autenrieth	FMD Forester		Interview/Field Consultation
Derrick Coy	FMD Forester		Interview/Field Consultation

Chad Fate	FMD Forester		Interview/Field Consultation
Kirby Osvold	FMD Forester		Interview/Field Consultation
Greg Rekowski	FMD Forester		Interview/Field Consultation
Mark Hansen	Fire Officer, Alpena		Interview/Field Consultation
Todd Neiss	FMD Recreation Specialist		Interview/Field Consultation
Jason Stephens	IFMAP Specialist		Interview/Field Consultation
Steve Griffith	WLD Traverse City		Interview/Field Consultation
Dave Lemmien	FMD Unit Manager		Interview/Field Consultation
Rod Rader	FMD Fire Supervisor		Interview/Field Consultation
Pat Ruppen	FMD Forester		Interview/Field Consultation
Scott Lint	FMD Forester		Interview/Field Consultation
Steve Crigier	FMD Forester		Interview/Field Consultation
Katie Armstrong	FMD Forester		Interview/Field Consultation

#### List of other Stakeholders Consulted

Name/ Title	Organization	Contact	Consultation method
Jerry Grossman	Consulting Forester, Grossman Forestry Company	<a href="mailto:gfc@up.net">gfc@up.net</a>	Letter

### 3.2 Stakeholder review, complaints, and resolution

<b>Box 3.2.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable</b>	
FME has not received any stakeholder complaints and the annual audit uncovered no known disputes since the previous evaluation. SCS has not received any complaints from stakeholders regarding its performance or treatment of FME's management system.	<input checked="" type="checkbox"/>

**Appendix 4 – Additional Audit Techniques Employed (CONFIDENTIAL)\***

The audit team did not employ any additional audit techniques for this annual surveillance audit.

**Appendix 5 – Changes in Certification Scope**

There were no changes in the scope of the certification during the previous year.

OR

<b>Changes in Certificate Scope</b>			
<i>Check all applicable changes and include updated information</i>			
<input checked="" type="checkbox"/>	Organization name	Michigan Department of Natural Resources	
<input type="checkbox"/>	Contact person	Name:	
		Telephone:	e-mail:
<input type="checkbox"/>	FSC salesperson	Name:	
		Telephone:	e-mail:
<input type="checkbox"/>	Website address		
<b>Certificate information</b>			
<input type="checkbox"/>	Certificate Type	<input type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
		<input type="checkbox"/> Group	
<input type="checkbox"/>	SLIMF <i>if applicable</i>	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
		<input type="checkbox"/> Group SLIMF certificate	
<input type="checkbox"/>	Group Members <i>if applicable</i>	# of Group Members	
<input type="checkbox"/>	Number of FMUs in scope of certificate	#	

**Total forest area in scope of certificate which is:**

<input type="checkbox"/>	<b>privately managed<sup>1</sup></b>	<i>ha or ac</i>
--------------------------	--------------------------------------	-----------------

<input type="checkbox"/>	<b>state managed</b>	<i>ha or ac</i>		
<input type="checkbox"/>	<b>community managed<sup>2</sup></b>	<i>ha or ac</i>		
<b>Number of FMUs in scope that are:</b>				
<input type="checkbox"/>	less than 100 ha in area	#	100 - 1000 ha in area	#
	1000 - 10 000 ha in area	#	more than 10 000 ha in area	#
<b>Total forest area in scope of certificate which is included in FMUs that:</b>				
<input type="checkbox"/>	are less than 100 ha in area	#		
<input type="checkbox"/>	are between 100 ha and 1000 ha in area	#		
<input type="checkbox"/>	meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	#		
<input type="checkbox"/>	<b>Division of FMUs into manageable units:</b>			
<b>Social Information</b>				
<input checked="" type="checkbox"/>	Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender): 1537 (number of DNR employees, all Divisions)			
	# of male workers 1052		# of female workers 485	
<input checked="" type="checkbox"/>	<b>Number of accidents in forest work since last audit</b> Note: serious is defined as number of cases of MIOSHA Recordable Work-Related Injuries and Illnesses.	<b>Serious</b> # 31 for DNR management units within scope of certificate		<b>Fatal</b> # -0-

<b>Production Forests</b>		
<b>Timber forest products</b>		
<input type="checkbox"/>	Total area of production forest (i.e. forest from which timber may be harvested)	<i>ha or ac</i>
<input type="checkbox"/>	Area of production forest classified as 'plantation'	<i>ha or ac</i>
<input checked="" type="checkbox"/>	Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems <sup>3</sup>	<i>3,816 acres</i>
<input checked="" type="checkbox"/>	Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	<i>17,734 acres</i>
<input type="checkbox"/>	The sustainable rate of harvest (usually the AAC where available) of commercial timber (cubic meters of round wood)	<i>m<sup>3</sup> or bd ft by species</i>
<b>Non-timber forest products</b>		
<input type="checkbox"/>	Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	Approximately 1.2 million acres Note: this figure includes 750,000 acres of non-forested land.

<input type="checkbox"/>	Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	<i>ha or ac; kg; or some other quantity per ha or ac</i>
<b>Species and product categories in scope of joint FM/COC certificate</b>		
<input type="checkbox"/>	<b>Scientific/ Latin Name (Common/ Trade Name)</b>	
	<p>Black ash (<i>Fraxinus nigra</i>); green ash (<i>Fraxinus Pennsylvanica</i>); white ash (<i>Fraxinus Americana</i>); bigtooth aspen (<i>Populus grandidentata</i>); Trembling aspen (<i>Populus tremuloides</i>); balm of Gilead (<i>Populus balsamifera</i>); balsam fir (<i>Abies balsamea</i>); basswood (<i>Tilia Americana</i>); paper birch (<i>Betula papyrifera</i>); yellow birch (<i>Betula alleghaniensis</i>); white cedar (<i>Thuja occidentalis</i>); black cherry (<i>Prunus serotina</i>); Eastern Hemlock (<i>Tsuga Canadensis</i>); sugar maple (<i>Acer saccharum</i>); red maple (<i>Acer rubrum</i>); northern red oak (<i>Quercus rubra</i>); northern pin oak (<i>Quercus ellipsoidalis</i>); white oak (<i>Quercus alba</i>); jack pine (<i>Pinus banksiana</i>); red pine (<i>Pinus resinosa</i>); white pine (<i>Pinus strobes</i>); black spruce (<i>Picea ,mariana</i>); white spruce (<i>Picea glauca</i>); tamarack (<i>Larix laricina</i>);</p>	

<b>FSC Product Classification</b>			
<b>Wood Products</b>	<b>Product Level 1</b>	<b>Product Level 2</b>	
<input type="checkbox"/>	W1 Rough Wood	W1.1 Roundwood (logs)	
<input type="checkbox"/>	W1 Rough Wood	W1.2 Fuel Wood	
<input type="checkbox"/>	W1 Rough Wood	W1.3 Twigs	
<input type="checkbox"/>	W2 Wood charcoal		<i>E.g. Barbecue charcoal</i>
<input type="checkbox"/>	W3 Wood in chips or particles	W3.1 Wood chips <i>(Please select the appropriate product from the list)</i>	
<input type="checkbox"/>	W5 Solid wood (sawn, chipped, sliced or peeled)	W5.1 Flitches and boules <i>(Please select the appropriate product from the list)</i>	<i>E.g. Lumber core, rough-cut stave core board, Railroad strips.</i>
<b>Non-timber forest products</b>	<b>Product Level 1</b>	<b>Product Level 2</b>	<b>Product Level 3</b>
<input type="checkbox"/>	N1 Bark		
<input type="checkbox"/>	N4 Straw, wicker, rattan and similar	N4.1 Rattan cane (rough form) <i>(Please select the appropriate product from the list)</i>	
<input type="checkbox"/>	N6 Plants and parts of plants	N6.1 Flowers <i>(Please select the appropriate product from the list)</i>	<input type="checkbox"/> N6.3.1 Christmas trees
<input type="checkbox"/>	N7 Natural gums, resins, oils and derivatives	N7.1 Rubber/ Latex <i>(Please select the appropriate product from the list)</i>	<i>E.g. Gum arabic, gum tragacanth, frankincense, myrrh, Dammar, Canada balsam, benjamin, benzoin, incense, Camphor, Brazil nut oil, Copaiba Oil.</i>
<input type="checkbox"/>	N9 Food	N9.1 Nuts <i>(Please select the appropriate product from the list)</i>	<i>E.g. Deer, rabbit, berries, and pine mushrooms, mate, Brazil nut.</i>
<b><i>For a full list of FSC product classes, product types, and product sub-types, see FSC-STD-40-004a (Version 2-0) EN – FSC Product Classification</i></b>			

<b>Conservation Areas</b>				
<input checked="" type="checkbox"/>		Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives Dedicated and Proposed Natural Areas, National Natural Landmarks, TNC Natural Area Registry, Critical Dunes, Natural Rivers, Ecological Reference Areas, and Potential Old Growth Areas. Note: These areas are not mutually exclusive of the HCV Types as described below.		483,502 Acres
<b>High Conservation Value Forest/ Areas</b>				
<b>High Conservation Values present and respective areas</b>				
	<b>Code</b>	<b>HCV Type<sup>4</sup></b>	<b>Description &amp; Location</b>	<b>Area</b>
<input checked="" type="checkbox"/>	HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Designated Critical Habitat Kirtland's Warbler and Piping Plover habitat.	150,526 Acres
<input checked="" type="checkbox"/>	HCV2	Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.	Dedicated Management Areas, Dedicated State Natural Areas, and Natural Rivers.	19,811 Acres
<input checked="" type="checkbox"/>	HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.	Critical Dunes, Coastal Environmental Areas and Ecological Reference Areas.	51,045 Acres
<input type="checkbox"/>	HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	None located upon the Michigan State Forest system.	
<input type="checkbox"/>	HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).	None located upon the Michigan State Forest system.	
<input type="checkbox"/>	HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	The Michigan DNR currently utilizes other mechanisms to identify, conserve, and manage areas critical to local communities' traditional cultural identity such as THPO, SHPO, Compartment Review, land use permits, and designation as "Special Conservation Areas".	
<input checked="" type="checkbox"/>	<b>Total Area of forest classified as 'High Conservation Value Forest' Note: There is</b>			221,382 acres

<b>duplication of acreage numbers across and within the HCV Types as many of the State Forest High Conservation Value Areas possess multiple values for the different HCV Types.</b>	
<b>ANY REDUCTION IN HCVF/HCVVA AREA OR CHANGES IN HCVF/HCVVA CLASSIFICATION MUST BE REVIEWED BY SCS TO ENSURE COMPLIANCE WITH FSC CONVERSION POLICIES AND THAT ANY REDUCTION IS EITHER THE RESULT OF CREDIBLE FIELD ANALYSIS AND RECLASSIFICATION OR THE SALE OF LANDS TO OTHER FORESTRY COMPANIES, CONSERVATION GROUPS, STATE AGENCIES, ETC.</b>	

**Appendix 6 – Detailed observations (CONFIDENTIAL)**

<b>Evaluation year</b>	<b>FSC P&amp;C Reviewed</b>
2010	All – Recertification Evaluation
2011	C1.5, C1.6, C2.3, C3.2, C3.3, C4.2, C4.4, C5.6, C6.2, C6.3, C6.4, C 6.5, C7.1, C7.2, C7.3, C8.1, C8.2, C8.5, C9.3, C9.4,
2012	
2013	
2014	

**C= Conformance with Criterion**

**C/NC= Overall Conformance with Criterion, but there are Indicator non-conformances**

**NC= Non-Conformance with Criterion**

<b>REQUIREMENT</b>	<b>C/N C</b>	<b>COMMENT/CAR</b>
<b>P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.</b>		
<b>C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.</b>	C	MDNR maintains a separate Law Enforcement Division, charged with patrolling the state forests, preventing illegal and unauthorized activities, and responding when they do occur. The Division cooperates with local law enforcement agencies throughout the state. No exceptional or unusual instances of illegal activities taking place on the forest were reported during this audit.
<b>C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b>	C	On the basis of the statement of commitment to manage the Michigan state forests in conformity to the FSC principles and criteria of forest stewardship, that was confirmed to be posted on the MDNR web site, SCS concludes that closure of the prior Minor CAR 2010.1 is warranted.  SCS concludes that the written justification for excluding certain state owned lands (e.g., state parks, wildlife management units) from the scope of MDNR's FSC FM certification constitutes an adequate response to this Minor CAR. Accordingly, closure of this Minor CAR

		2010.2 is warranted.
<b>P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.</b>		
<b>C2.3. Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.</b>	C	MDNR has an informal dispute resolution system for addressing land tenure claims, backed up by the court system if required. No encroachment or other tenure issues presented themselves during the audit.
<b>P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</b>		
<b>C3.3. Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</b>	C	<b>Please see Minor CAR 2010.3 for a full description of findings.</b>
<b>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</b>		
<b>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</b>	C	The September 27 <sup>th</sup> memo is found by the lead auditor to be adequately responsive to this Corrective Action Request, both in its content and in its distribution. Regarding content, we note this sentence in the memo, in particular: "This means that all contractors working on a logging job must follow the MIOSHA standards; there are no exceptions." A similar statement is made in the memo with regard to DNR employee adherence to safety requirements.  The SCS lead auditor concludes that MDNR's response to CAR 2010.4 is sufficient to warrant its closure.
<b>C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</b>	C	The SCS lead auditor considers MDNR's response to this CAR to be marginally adequate. The auditor notes that it requires 5 key strokes to arrive at one of the unit-specific pages and that there is no clear direction on the pathway for a web site user to take to get to the desired pages. Once on a unit-specific web site, the user must navigate through (scroll down) a complex web page in order to find compartment review links. Determining which compartments may be of interest requires further research on the web site. While the information is ultimately discoverable, only the most dedicated and computer-savvy web site users will likely find desired information easily. And what about neighboring landowners that do not have web access?  So, while the development of these unit-specific web pages is a positive development and one that certainly enhances the robustness of the DNR's web site, it remains a question as the extent to which this method will actually result in neighboring landowners being adequately informed about pending site-disturbing activities on the state forests.  Closure of CAR 2010.5 is marginally warranted. See the follow-up

		Observation 2011.1.
<b>P5 Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</b>		
<b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>	C	There is active collection of non-timber forest products and some of this activity is acknowledged to likely have a commercial component (e.g., morel collection and sale to buyers). MDNR could increase its level of attention to managing NTFP collection activities. See OBS 2010.4.
<b>P6 Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</b>		
<b>C 6.2. Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping, and collecting shall be controlled.</b>	C	The Wildlife Division of MDNR and Michigan Natural Features Inventory, house biologists that have assignments for protection of threatened and endangered species of wildlife and plants, respectively. Noteworthy accomplishments of endangered species recovery are illustrated by Kirtland Warblers and Gray Wolves, two species where populations now exceed recovery goals.
<b>C6.3. Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem.</b>	C	<p><i>CAR 2010.6</i></p> <p>With regard to development of new or revised guidance documents that will assure identification and protection of areas meeting the FSC definition of Type I and II Old Growth, we conclude that MDNR has provided satisfactory evidence of responsive action.</p> <p>With regard to training for assuring consistent implementation, we conclude that MDNR's response is not yet complete (3 of 15 FMU's had undergone training at the time of the 2011 surveillance audit). But on MDNR's assurance that the training for the remaining FMU's will take place in the first half of 2012, we consider the response to be marginally adequate.</p> <p>During the 2012 surveillance audit, we will check to confirm that the additional training did, indeed, take place.</p> <p><i>CAR 2010.7</i></p> <p>The most salient/substantive element of MDNR's response to this CAR is the revision of Work Instruction 1.4 along with development of a separate retention guidance document; however, neither document was been finalized at the time of the surveillance audit. Once finalized, we consider the revised guidance sufficient to assure, to an acceptable level of likelihood, that trees meeting the FSC definition of "legacy tree" will be protected.</p> <p>The audit team was assured that the retention documents would be finalized in December 2011.</p> <p>Regarding part (b) of this CAR: paragraph 1 of the Executive Summary to the Retention Committee Report confirms that the scope of the additional retention guidance includes "habitat</p>

		<p>components and associated stand structures.”</p> <p>As conveyed orally during the October 20<sup>th</sup> closing meeting, the audit team concludes that MDNR has undertaken considerable effort to address this CAR. It is our decision to close this CAR on the express assumption that MDNR provides evidence of finalization of the revised retention guidance documents. During the audit, MDNR indicated to the auditors that these documents would be finalized in December, 2011. In the absence of documentary evidence confirming finalization of these retention guidance documents by February 1, 2012, this CAR will be re-instated and raised to status of MAJOR. If this CAR is upgraded to MAJOR, MDNR must provide satisfactory evidence to warrant closure by May 1, 2012 to avoid suspension of its FSC certification.</p> <p>MDNR provided the lead auditor with a document, dated October 12, 2011: Forest Management Division (FMD) Invasive Species Project 2011. The document provides a summary of invasive species related activities: ARRA funded projects undertaken, Pest &amp; Disease Loan funding, Great Lakes Restoration Initiative funding, training and application development. Overall, this document conveys a sense that DNR is strengthening its focus on and efforts to control the spread of invasive species in Michigan.</p>
<p><b>C6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</b></p>	<p>C</p>	<p>The SCS lead auditor was provided with a copy of a memo signed by Director Stokes and dated July 12, 2011, that provided updated guidance to DNR personnel on the Living Legacy Project and the ongoing effort at designating BSA’s.</p>
<p><b>C6.5. Written guidelines shall be prepared and implemented to control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and to protect water resources.</b></p>	<p>C</p>	<p>In the “Miscellaneous” tab of the 3-ring binder of documents provided to the SCS lead auditor during the opening meeting of the 2011 audit, several documents were included that pertain to ORV use and resource damage created by unauthorized ORV activities. Of note, there was a summary document: 2011 Accomplishments Related to Implementation of the Off-Road Vehicle Management Plan, date October 6, 2011. A table of projects and expended funds on RDR and Board/Bridge projects was also provided.</p> <p>Overall, the lead auditor is left with the impression that DNR is ramping up its efforts to address resource damage from unauthorized ORV activities. See Observation 2010.11</p>
<p><b>P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</b></p>		
<p><b>C7.1. The management plan and supporting documents shall provide:</b>  <b>a) Management objectives.</b>  <b>b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.</b></p>	<p>C</p>	<p>While the audit team does not consider MDNR’s responsive actions to CAR 210.8 to be thoroughly complete, we conclude that the response is sufficient to warrant closure of this CAR. The audit team notes the assurances provided by MDNR staff that the training will be completed in due course (i.e., in 2012). There is a new Silvics and Management Guidance Manual but it is still in draft form; guidance</p>

<p>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.</p> <p>d) Rationale for rate of annual harvest and species selection.</p> <p>e) Provisions for monitoring of forest growth and dynamics.</p> <p>f) Environmental safeguards based on environmental assessments.</p> <p>g) Plans for the identification and protection of rare, threatened and endangered species.</p> <p>h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.</p> <p>i) Description and justification of harvesting techniques and equipment to be used.</p>		<p>was revised for three major species. At the October 2011 audit, DNR personnel assured the SCS lead auditor that the Management Team would finalize/approve the retention documents in December. A new silvicultural training curriculum has been developed and “3-4” Go to Meeting web-based training sessions had been held prior to October 17, 2011. A new intranet page has been created to facilitate uptake of the new guidance.</p> <p>On the basis of the documentary evidence provided to the audit team, both in conjunction with the October surveillance audit as well as the additional document conveyed on November 15, 2011, we conclude that closure of CAR 2010.9 is now warranted. That is, there is now a publicly available (posted in the web) written summary of the how species selection and harvest rate calculations are developed.</p>
<p><b>C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</b></p>	NC	<p>For reasons essentially the same as prior years, DNR was again unable to meet its assurances of the date of completion of the Regional State Forest Management Plans. SCS is left with no option but, again, to raise a non-conformity with respect to this matter. See Minor CAR 2011.1</p>
<p><b>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</b></p>	C	<p>We conclude that implementation of associated employee training to assure consistent implementation of the retention guidance is not complete; indeed, it has not yet been substantively initiated. Rather, retention training will be part of the 2012 training agenda for the Department. While this does not constitute exemplary response to this CAR, we conclude that response to part (c) is marginally adequate.</p>
<p><b>P8 Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</b></p>		
<p><b>C8.1. The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations, as well as, the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.</b></p>	C	<p>An updated timeline for completion of the Regional State Forest Management Plans was provided in the 3-ring binder conveyed to the SCS lead auditor during the opening meeting of the 2011 audit. Unfortunately, the pace of completion was not hastened but, rather, further delayed. See new Major CAR in the next section of this table.</p>
<p><b>8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:</b></p> <p>a) yield of all forest products harvested,</p> <p>b) growth rates, regeneration, and condition of the forest,</p> <p>c) composition and observed changes in the flora and fauna,</p> <p>d) environmental and social impacts of harvesting and other operations, and</p> <p>e) cost, productivity, and efficiency of forest management.</p>	C	<p>MDNR’s current inventory system is not in strong conformance with regard to the requirements in this Indicator pertaining to volumes and regeneration.</p>
<p><b>C8.5. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed</b></p>	C	<p>A monitoring report template has been developed and is posted on the Department’s web site. MDNR is encouraged to expand the scope and detail of the information that is incorporated into these</p>

in Criterion 8.2.		Performance & Monitoring Reports so as to more clearly cover the subject matters enumerated in Principle 8 of the FSC standard.
<b>P9 Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</b>		
<b>C9.3. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</b>	C	The SCS lead auditor was provided with a copy of a memo signed by Director Stokes and dated July 12, 2011, that provided updated guidance to DNR personnel on the Living Legacy Project and the ongoing effort at designating BSA's. This memo was made available to interested stakeholders.
<b>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</b>	C	DNR's general principles for management of BSA areas includes required monitoring of these areas to assess their conservation status.

### **Appendix 7 – Chain of Custody Indicators for FMEs (CONFIDENTIAL)**

Criterion 8.3 and the SCS' Chain of Custody (COC) indicators for Forest Management Enterprises (FMEs) were not reviewed during this audit. No nonconformities in the FME's implementation of COC procedures and use of FSC trademarks were discovered during the audit. Furthermore, SCS has not received any complaints from FSC representatives or FME's customers regarding trademark infringement and lapses in the implementation of COC procedures.