



2000 Powell St., Suite 600
Emeryville, CA 94608, USA
www.scscertified.com
Brendan Grady
bgrady@scscertified.com

FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY SURVEILLANCE EVALUATION REPORT

Michigan Department of Natural Resources

Michigan State Forests

Michigan, USA

SCS-FM/COC-00090N

1990 US-41,

South Marquette, MI 49855

Dennis Nezich; Forest Certification Specialist

nezichd@michigan.gov

CERTIFIED	EXPIRATION
December 31, 2010	December 30, 2015

DATE OF FIELD AUDIT
October 16-18, 2012
DATE OF LAST UPDATE
March 14, 2013

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 type="checkbox"/> 1 st annual audit	<input checked="" type="checkbox"/> 2 nd annual audit	<input type="checkbox"/> 3 rd annual audit	<input type="checkbox"/> 4 th annual audit
Name of Forest Management Enterprise (FME) and abbreviation used in this report:			
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.scs-certified.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 4.0 for those CARs and their disposition as a result of this annual audit);
- 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.

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SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Annual Audit Team

Auditor Name:	Robert J. Hrubes, Ph.D.	Auditor role:	Lead Auditor
<p>Qualifications: Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 35 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, and subsequent annual surveillance audits, 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, Indonesia, 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 from February, 2000 until July, 2012. He is presently Executive V.P. at SCS.</p>			
Auditor Name:	Mike Ferrucci	Auditor role:	Auditor (and SFI Lead Auditor)
<p>Qualifications: 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:	3
D. Total number of person days used in evaluation:	9

1.3 Standards Employed

1.3.1. Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
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FSC-US Forest Management Standard	1.0	July 8, 2010
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Forest Conservation Program homepage (www.scs-certified.com/forestry). Standards are also available, upon request, from Scientific Certification Systems (www.scs-certified.com).		

2.0 ANNUAL AUDIT DATES AND ACTIVITIES

Michigan DNR was provided with the following Audit Plan prior to the auditors arriving in Michigan:

Audit Plan

2012 Annual Surveillance Audit

Michigan State Forestlands Managed by the

Michigan Department of Natural Resources

Audit Team: Robert J. Hrubes, FSC Lead Auditor; Mike Ferrucci, FSC Audit Team Member and SFI Lead Auditor

Monday October 15, 2012 – Travel Day

6:30 PM (approx.) Robert Hrubes arrives in Baraga from Green Bay via rental car

Tuesday October 16, 2012 – Baraga FMU

7:45 am Meet at Best Western Lakeside

8:15 am Robert Hrubes Opening Comments

8:30 am Baraga FMU Overview

9:30 am Depart for Field

4:30 pm Return to Office and depart for Marquette

Drive to Marquette: Discussion of responses to Open CARs from 2010 audit (Hrubes/Nezich)

Mike Ferrucci arrives at KI Sawyer airport at 4:57 PM

Chain of Custody meeting at Mqt OSC at 7 PM for auditors and industry reps (no DNR field staff are involved)

Wednesday October 17, 2012 – Gwinn FMU

7:30 am Depart Hotel (1/2 hour drive)

7:45 am Marquette; Overview of RSFMPs. Attendance:

- ✓ In person: Scott Jones, Craig Albright, John Hamel, David Price, Jeff Stampfly, Tom Seablom, Dennis Nezich, Penney Melchoir, Terry Minzey, Scott Heather, Beth Clute
- ✓ By telephone (1-877-411-9748 pass code 9854334): Sherry MacKinnon, Amy Clark Eagle

9:30 Gwinn FMU Overview and Update
 10:00 District Overview and Issues
 10:30 am Depart for Field
 4:30 pm Return to Office and depart for Iron Mountain

Thursday October 18, 2012 – Crystal Falls FMU

7:30 am Depart Hotel for Norway (1/4 hour drive)
 8 am Crystal Falls FMU Overview and Update
 9 am–1 pm Field
 1 pm FSC Closing Meeting, Robert Hrubes departs for Green Bay
 1-4 pm Mike Ferrucci continues field tour
 4:30 pm Return to Marquette

Friday October 19, 2012 – Marquette OSC

8:00 am Mike Ferrucci office audit at Marquette OSC
 1:30 pm SFI Closing meeting, followed by FSC Closing meeting with Robert Hrubes by telephone
 4:57 pm Mike Ferrucci departs from KI Sawyer

2.1 Annual Audit Itinerary and Activities, as Carried Out

Date: October 16, 2012	
FMU/Location/ sites visited	Activities/ notes
Baraga FMU	Opening meeting; overview of FMU and management activities
	Field stops: recreation trail restoration; pulpwood harvest and interview with loggers (Compartment 65); upland hardwoods selection harvest (Compartment 32); Elm River hardwood sale and interview with logger; LOA hardwood sale and discussion of stump-to-gate CoC issues such as load tickets; discussion of Mesic Conifer Initiative that has been suspended; Skyline aspen sale with focus on RMZ retention and nearby Baraga Plains Management Area; Jack Pine management with focus on lack of scarification that led to regeneration failure; “#2” hardwood sale with discussion of re-entry periods and oak/white pine management objectives

Marquette OSC (Tuesday night)	Special meeting with DNR personnel and independent loggers and state forest wood buyers regarding chain of custody certification
Date: October 17, 2012	
FMU/Location/ sites visited	Activities/ notes
Marquette OSC (AM)	Overview the status of the Regional State Forest Management Plans as well as a review of responses to 2011 Findings
Gwinn FMU (PM)	Opening meeting; overview of FMU and management activities
	Field Stops: Kamikaze Timber Sale—aspens CC w/retention, not yet harvested; Kate & Charlie Sale—aspens CC w/ retention, out of year of entry via compartment review; Kate’s Grade Sale—aspens CC in 2005, discussion of expected prescription for new YOEs; Brian Creek-stream habitat enhancement for brook trout; 3 stops at Charlie jack pine sale—realignment of compartment YOEs to coincide better with management areas; Charlie Lakes aspen harvest; neighbor encroachment onto state forest land at Charlie Lakes—discussion of the problem and DNR’s responses; Charlie Aspen Thicket sale—discussion of adverse neighbor attitudes towards DNR and harvesting, discussion of patch retention in aspen harvest units; Bass Lake Campground—discussion of maintenance activities as well as merging with Parks and Recreation Division; Haywire Hardwood Sale—focus on retention of mature aspen as well as cedar, hemlock and white pine, discussion of efforts to increase average stand diameter through individual tree selection
Date: October 18, 2012	
FMU/Location/ sites visited	Activities/ notes
Crystal Falls FMU (Norway Field Station)	Opening meeting; overview of FMU and management activities
	Field stops: mesic conifer planting initiative; red pine thinning & aspen CC—interface with recreational/hunter walking trail, retention of birch and conifers in aspen harvests, stream buffers and goshawk setbacks; Hocking Creek culver replacement project (done in 2001); “Too Many Cooks” timber sale—red pine thinning, compromise agreement due to deer yard habitat issue and discussion of Lowland Forest Initiative, discussion of role of the limiting factor foresters and BSAs
Date: October 25, 2012	
FMU/Location/ sites visited	Activities/ notes
Follow-up conference call with Dennis Nezich and Lori Burford, both of Michigan DNR	Review of DNR’s policies and approaches to addressing encroachment by adjoining landowners onto state forest property

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.

4.0 RESULTS OF THE EVALUATION

4.1 Existing Corrective Action Requests and Observations

Finding Number: 2011.1	
Select one: <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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): See due dates, in the requested correction action block, below.
FSC Indicator:	FSC US National Standard, Criterion 7.2
Non-Conformity: 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.	
Corrective Action Request: 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. b) Complete Ecoteam final approval of Draft 1 of the Regional State Forest Management Plans by May 1, 2012. 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.	
FME response (including any evidence submitted)	Correspondence sent by Dennis Nezych on March 1 st 2012: Hello Robert, 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. 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 3rd, 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

	<p>B of FSC CAR 2011.1.</p> <p>Thank You, Dennis Nezich</p> <p>Submitted with CAR Response: (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</p> <p>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</p>
<p>SCS review</p>	<p>As of May 15, 2012: SCS has reviewed the ongoing efforts to update the Regional State Forest Management plans, including the communications from MDNR and associated documentation. 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. As a result, the CAR is being kept open until the October surveillance audit.</p> <p>Following the October, 2012 surveillance audit: On the basis of the presentations made to the audit team on October 17th at the Marquette OSC, SCS concludes that closure of Minor CAR 2011.1 is now warranted. The bases for this conclusion are:</p> <ul style="list-style-type: none"> • Public review by two state-wide standing committees—the FMAC and the TAC—was initiated on October 1, 2012; these committees are comprised of citizens representing a variety of interests • On October 15, 2012, DNR initiated a broad-scale public notice of the availability of the draft regional state forest management plans for review and comment, utilizing a variety of mechanisms such as the “Gov-delivery” press release mechanism as well as social media. Tribes were separately informed. Public presentations for the advisory committees and all interested stakeholders are scheduled to be held on October 25th and a week later, the latter being through use of a webinar. <p>DNR also briefed the auditors on next steps in the plan review and finalization</p>

	process
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision: Maintained for ongoing assessment</i>

Finding Number: 2011.1	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	FSC US National Standard, Indicator 4.4.c
<p>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.</p> <p>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.</p>	
Corrective Action Request: Not applicable	
FME response <i>(including any evidence submitted)</i>	This Observation was discussed with DNR personnel during the October 17 th meeting at the Marquette OSC
SCS review	The SCS audit team concludes that it is appropriate to close this Observation.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

4.2 New Corrective Action Requests and Observations

Note: No new Corrective Action Requests are being raised in conjunction with the 2012 annual surveillance audit.

Finding Number: 2012.1	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
FSC Indicator:	Indicator 6.4.c
Non-Conformity: Not applicable	
<p>Observation: Throughout much of 2012, development the Regional State Forest Management Plans required the dedication of staff resources that, to a substantial degree, were redirected from the Biodiversity Conservation Planning Process. Now that the RSFMP process is largely completed, it is important that staff resources are rededicated to completion of the BCPP/BSA process, which has suffered from numerous delays since at least 2008. Completion of the Biodiversity Conservation Planning Process, including key tasks such as delineating Biodiversity Stewardship Areas on the state forests and identifying compatible land uses for the BSAs, has been the focus of numerous FSC Findings since 2008 (CAR 2008.1, CAR 2009.1, OBS 2010.9, OBS 2010.19). The credibility of the FSC certification process as applied to Michigan DNR is not enhanced by this protracted delay.</p>	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2012.2	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
FSC Indicator:	Indicator 5.6.a
Non-Conformity: Not applicable	
<p>Observation: On one of the FMUs visited this year and across the western Upper Peninsula, there has been a substantial increase in the scheduling of timber harvests in compartments that are “out of year of entry.” While out of year of entry harvest scheduling may be warranted on the basis of stand level conditions and, to a degree, logistical considerations, a broad departure (e.g., 25% increase in out of year of entry harvesting) sustained over more than one year runs the risk of rendering invalid the DNR’s allowable harvest regulation process.</p>	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2012.3	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
FSC Indicator:	Indicators 1.5.a and 1.5.b
Non-Conformity: Not applicable	

<p>Observation: A chronic problem that DNR has had to deal with is unauthorized encroachment onto State Forest lands by neighbors (e.g., private structures or roads partially or entirely located on State Forest land). As the problem has grown, DNR has initiated policies, initiatives and actions aimed to control encroachment. In the last few years, the Department has ramped up its effort and it intends to be less accommodating, with regard to resolution of specific cases, after the end of 2012. As of the time of the audit (October, 2012) DNR was anticipating the finalization of a new, stronger procedure for handling encroachment cases. To avoid a possible non-conformity, DNR should:</p> <ul style="list-style-type: none"> • Finalize and implement the revised procedure • Provide support to field staff dealing with encroachment • Endeavor to improve on the current approach of checking only 10% of State Forest boundary lines per year (10-year cycle). 	
<p>FME response <i>(including any evidence submitted)</i></p>	
<p>SCS review</p>	
<p>Status of CAR:</p>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

<p>Finding Number: 2012.4</p>	
<p>Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation</p>	
<p>FMU CAR/OBS issued to (when more than one FMU):</p>	
<p>Deadline</p>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
<p>FSC Indicator:</p>	<p>Indicator 6.3.a.1 and Indicator 6.3.f</p>
<p>Non-Conformity: Not applicable</p>	
<p>Observation: On the basis of individual initiative, some field foresters are designating small patch reserves within aspen clearcuts for the purpose of creating, over time, pockets of over-mature/senescent habitat conditions in that cover type. Conformity to Indicators 6.3.a.1 and 6.3.f would be enhanced if this approach to regeneration harvesting in the aspen cover type were more broadly practiced on the State Forests.</p>	

FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: 2012.5	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
FSC Indicator:	Indicator 7.3.a
Non-Conformity: Not applicable	
<p>Observation: With the transfer of many State Forest campgrounds, pathways and boat ramps to DNR's Parks and Recreation Division, PRD personnel now play a direct role in implementing State Forest policies that are central to FSC certification. Accordingly, it is important that training of relevant PRD personnel is consistently and expeditiously pursued, state wide. As of October 2012, the transition and training process for PRD personnel was observed to be varied across the state forest system.</p>	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: 2012.6	
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):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): Observations do not have response deadlines. The subject matter underlying the Observation will be addressed during the next surveillance audit.
FSC Indicator:	Indicator 5.4.b and Indicator 5.5.a
Non-Conformity: Not applicable.	
Observation: To enhance the benefits they generate to the citizenry of Michigan and to enhance the diversity of State Forest land uses, the Hunter Walking Trails located on the State Forests could be more effectively made known through: <ul style="list-style-type: none"> • Including their locations on maps made available to the public • Improving their signage • Connecting the Hunter Walking Trail program more effectively with the hunting public, through MI Hunt. 	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

5.0 STAKEHOLDER COMMENTS

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

1. To solicit input from affected parties as to the strengths and weaknesses of the FME’s management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
2. To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

Principal stakeholder groups are identified based upon results from the pre-evaluation (if one was conducted), lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

5.1 Stakeholder Groups Consulted

Sierra Club	
Independent loggers operating in the UP	

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

5.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this annual audit.		<input type="checkbox"/>
Stakeholder comments	SCS Response	
Economic concerns		
Concern was expressed about the cost of complying with FSC chain of custody certification	This is an ongoing issue that requires the active involvement and endorsement of FSC, as initially represented by FSC-US	
Concern was expressed that independent loggers are not deriving a financial benefit (e.g., a green premium) from the sale of wood sourced from the certified state forests.	This is an ongoing issue that requires the active involvement and endorsement of FSC, as initially represented by FSC-US	
Social concerns		
Some stakeholders are very concerned about the eroding role and voice of the state-wide Forest Management Advisory Committee due to the establishment of a Timber Advisory Committee	The ongoing role and future of the FMAC was discussed with DNR personnel during the 2012 audit and will be addressed in future audits.	

Environmental concerns	

6.0 CERTIFICATION DECISION

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: Michigan DNR remains an agency with a mission and workforce that is committed to a high level of forest stewardship, that is responsive to the desires and expectations of the citizenry of Michigan as well as applicable state and federal statutes. Most pertinently, Michigan DNR’s remains fully committed to maintaining conformity with the FSC certification standard, despite the longstanding and ongoing challenges of budgetary reductions affecting both staffing and operating funds.	

7.0 CHANGES IN CERTIFICATION SCOPE

Any changes in the scope of the certification since the previous audit are highlighted in yellow in the tables below. That said, there are no changes to the scope of Michigan DNR’s FSC certification that have arisen during this surveillance audit.

Name and Contact Information

Organization name	Michigan Department of Natural Resources and Environment		
Contact person	Dennis Nezich, Forest Certification Specialist		
Address	1990 US-41, South Marquette, MI 49855	Telephone	906-228-6561
		Fax	906-228-5245
		e-mail	nezichd@michigan.gov
		Website	

FSC Sales Information

<input checked="" type="checkbox"/> FSC Sales contact information same as above.			
FSC salesperson	Not Applicable		
Address		Telephone	
		Fax	
		e-mail	
		Website	

Scope of Certificate

Certificate Type	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	

SLIMF (if applicable)	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	
# Group Members (if applicable)		
Number of FMU's in scope of certificate	1	
Geographic location of non-SLIMF FMU(s)	Latitude & Longitude: Approximately 43-48 degrees, north latitude, Approximately 83-90 degrees, west longitude	
Forest zone	<input type="checkbox"/> Boreal	<input checked="" type="checkbox"/> Temperate
	<input type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
Total forest area in scope of certificate which is:		Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
privately managed		
state managed	3.8 million acres (excludes military lease lands, Luce County lease lands, GMO excised lands, Wildlife Management Areas without FMD co-management)	
community managed		
Number of FMUs in scope that are:		
less than 100 ha in area	100 - 1000 ha in area	
1000 - 10 000 ha in area	more than 10 000 ha in area	1
Total forest area in scope of certificate which is included in FMUs that:		Units: <input type="checkbox"/> ha or <input type="checkbox"/> ac
are less than 100 ha in area		
are between 100 ha and 1000 ha in area		
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs		
Division of FMUs into manageable units:		

Production Forests

Timber Forest Products	Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
Total area of production forest (i.e. forest from which timber may be harvested)	Approximately 2.4 million acres
Area of production forest classified as 'plantation'	None
Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	Approximately 600,000 acres
Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	Approximately 1.8 million acres
Silvicultural system(s)	Area under type of management
Even-aged management	
Clearcut (clearcut size range: 5-23 acres)	Approximately 1.7 million acres
Shelterwood	Approximately 100,000 acres
Other: Seed Tree	Not quantified
Uneven-aged management	
Individual tree selection	Approximately 500,000 acres
Group selection	Not quantified
Other:	
<input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.)	
The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood)	Approximately 53,000 acres or about 750,000 cords
Non-timber Forest Products (NTFPs)	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services Note: These areas are not mutually exclusive.	Ecological Reference Areas, Natural Areas, Potential Old Growth, Natural River buffers, and critical dunes: 213,351 acres
Other areas managed for NTFPs or services	None
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	None
Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:	
IFMAP and GIS	
Species in scope of joint FM/COC certificate: <i>Scientific/ Latin Name (Common/ Trade Name)</i>	

Black ash (*Fraxinus nigra*); green ash (*Fraxinus Pennsylvanica*); white ash (*Fraxinus Americana*); bigtooth aspen (*Populus grandidentata*); Trembling aspen (*Populus tremuloides*); balm of Gilead (*Populus balsamifera*); balsam fir (*Abies balsamea*); basswood (*Tilia Americana*); paper birch (*Betula papyrifera*); yellow birch (*Betula alleghaniensis*); white cedar (*Thuja occidentalis*); black cherry (*Prunus serotina*); Eastern Hemlock (*Thuja Canadensis*); sugar maple (*Acer saccharum*); red maple (*Acer rubrum*); northern red oak (*Quercus rubra*); northern pin oak (*Quercus ellipsoidalis*); white oak (*Quercus alba*); jack pine (*Pinus banksiana*); red pine (*Pinus resinosa*); white pine (*Pinus strobes*); black spruce (*Picea ,mariana*); white spruce (*Picea glauca*); tamarack (*Larix laricina*);

FSC Product Classification

Timber products		
Product Level 1	Product Level 2	Species
W1	W1.1 Roundwood	All
W1	W1.2 Fuel Wood	All
W1	W1.3 Twigs	All
W3	W3.1 Wood chips	All
W5	W5.1 Fitches and boules	All
Non-Timber Forest Products		
Product Level 1	Product Level 2	Product Level 3 and Species
N1 Bark		All

Conservation Areas

Total Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	483,502 acres 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.
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High Conservation Value Forest/ Areas

High Conservation Values present and respective areas:				Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
	Code	HCV Type	Description & Location	Area
<input checked="" type="checkbox"/>	HCV1	Forests or 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	Forests or areas containing globally,	Dedicated Management Areas,	19,811

		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 State Natural Areas, and Natural Rivers.	Acres
<input checked="" type="checkbox"/>	HCV3	Forests or 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	Forests or 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	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).	None located upon the Michigan State Forest system.	
<input checked="" type="checkbox"/>	HCV6	Forests or 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".	
Total Area of forest classified as 'High Conservation Value Forest/ Area'				221,382 Acres

Areas Outside of the Scope of Certification (Partial Certification and Excision)

<input type="checkbox"/>	N/A – All forestland owned or managed by the applicant is included in the scope.
<input type="checkbox"/>	Applicant owns and/or manages other FMUs not under evaluation.
<input checked="" type="checkbox"/>	Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.
Explanation for exclusion of FMUs and/or excision:	Land is excluded from the DNR's FSC Certificate primarily because the DNR does not exercise full control over management activities, or because the purposes for which the lands are held are not necessarily benefited by forest certification (e.g. the lands are not jointly co-managed by the DNR Forest Management and Wildlife Divisions and are devoted primarily to Wildlife or Fisheries management or State Parks).

Control measures to prevent mixing of certified and non-certified product (C8.3):	n/a	
Description of FMUs excluded from or forested area excised from the scope of certification:		
Name of FMU or Stand	Location (city, state, country)	Size (<input type="checkbox"/> ha or <input type="checkbox"/> ac)
Long Term Military Lease Lands	Otsego, Crawford, and Kalkaska Counties in the Northern Lower Peninsula of Michigan	101,000 acres
Lands Leased to Luce County	Luce County in the Upper Peninsula of Michigan	2,786 acres
Michigan State Park System	Throughout Michigan	286,000 acres
Wildlife Management Units administered by DNR Wildlife Division	Primarily located in the Southern Lower Peninsula of Michigan	350,000 acres
Fisheries Research Areas/Hatcheries	Southern and Northern Lower Peninsula of Michigan	4,145 acres
Lands available for planting to GMO corn/soybeans	Northern Lower Peninsula of Michigan	424 acres

8.0 ANNUAL DATA UPDATE

8.1 Social Information

Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):		
1052 male workers	485 female workers	
Number of accidents in forest work since last audit	Serious:23 in 2012	Fatal: None 2012

8.2 Annual Summary of Pesticide and Other Chemical Use

FME does not use pesticides.

Commercial name of pesticide/ herbicide	Active ingredient	Quantity applied annually (kg or lbs)	Size of area treated annually (ha or ac)	Reason for use
Rodeo	Glyphosphate	2	< ½ acre	Control brush on Dollarville dam

Dimilin 25% WP	Diflubenzuron	5	20 acres	Suppress Web Spinning Sawfly
Rodeo	Glyphosate	696.6	172	Site prep for red pine
Garlon	Tryclopyr	589.5	262	Site prep for red pine
Oust	Sulfometuron methyl	1.6	200	Site prep for red pine
Velpar	Hexazinone	5	10	Red pine spot release
Dimlin	Diflubenzuron	1.25	20	Web spinning sawfly in red pine
Rodeo	Glyphosate	102	92	ROW treatment (contract)
Arsenal Powerline	Imazapyr	2.2	92	ROW treatment (contract)
Rodeo	Glyphosate	1.3	17.25	Invasive control
Velpar L	Hexazinone	220.5	147	Site prep and release of red pine
Rodeo	Glyphosate	1219	324	Site prep and release of red pine
Rodeo	Glyphosate	132	185	ROW treatment (contract)
Tordon K	Picloram	21	84	ROW treatment (contract)
Polaris	Imazapyr	2	84	ROW treatment (contract)
Arsenal	Imazapyr	4.5	181	ROW treatment (contract)
Escort	Metsulfuron Methyl	1.5	101	ROW treatment (contract)
Accord	Glyphosate	87.5	80	ROW treatment (contract)
Escort	Metsulfuron Methyl	.1	1	Substation treatment (contract)
Oust	Sulfometuron Methyl	.1	1	Substation treatment (contract)
Razor	Glyphosate	.1	1	Substation treatment

				(contract)
Garlon 3A	triclopyr	182.14	546.43	Right-of-Way Mait.
Escort	2-(4-methoxy-6-methyl-1,3,5-triazin-2-ylcarbamoylsulfamoyl) benzoic acid	20.49	546.43	Right-of Way Mait.
Garlon 3A	Triclopyr	96	12	Trees, brush and woody plant control
Alecto	Glyphosate	27.5	53.4	Weed control in wildlife openings
Cornerstone Plus	Glyphosate	2qt/acre	18	Herbicide existing vegetation for future opening maintenance work.
Cornerstone Plus	Glyphosate	2 qt/acre	20	Herbicide existing vegetation for future opening maintenance work.
Aqua Neat	Glyphosate	40.5 Lbs Active	10	Control invasive Phragmites

SECTION B – APPENDICES (CONFIDENTIAL)

Appendix 1 – List of FMUs Selected For Evaluation

- FME consists of a single FMU
- FME consists of multiple FMUs or is a Group

Appendix 2 – Evaluation of Management Systems

SCS evaluated field sites and documents, and conducted interviews of DNR staff and stakeholders as the main strategies for assessing Michigan DNR. Tasks were divided between auditors’ expertise and findings between the FSC and SFI teams were shared during deliberations. The FSC auditor was responsible for completing this report.

Appendix 3 – List of Stakeholders Consulted

List of FME Staff Consulted

Name	Title	Consultation method
Andy Church	Felch – FRD	Meeting
Ben Travis	FRD – Gwinn	Meeting
Beth Clute	FRD – Lansing	Meeting
Bill Rollo	WLD/MQT	Meeting
Brad Carlson	FRD - Baraga	Meeting
Brian Bacon	Mqt – LED	Meeting
Brian Mensch	FRD - Baraga	Meeting
Brian Roell	WLD – MQT+Baraga	Meeting
Craig Albright	WLD – Escanaba	Meeting
Cynthia Cooper	CF – FRD	Meeting
Dan Nathan	FRD - Gwinn	Meeting

Darren Kramer	Fisheries - Escanaba	Meeting
David Price	FRD – Lansing	Meeting
Dean Wilson	FRD/Ishpeming	Meeting
Debbie Goupell	FRD - Felch	Meeting
Dennis Nezich	FRD - Mqt	Meeting
Don Mankee	FRD - Baraga	Meeting
Ed Rice	CF – FRD	Meeting
Eric Thompson	FRD	Meeting
Fred Hansen	FRD - Baraga	Meeting
George Madison	Fisheries – Baraga	Meeting
James H Johnston	FRD - Gwinn	Meeting
Jeff Stampfly	FRD – Marquette	Meeting
Jerry Maki	FRD - Gwinn	Meeting
Jim Ferris	FRD - Gwinn	Meeting
John M Hamel	FRD – Marquette	Meeting
John Turunen	FRD - Baraga	Meeting
Kevin Labumbard	FRD – Gwinn	Meeting
Linda Lindberg	FRD - CF	Meeting
Mark Leadman	LED - MQT Co.	Meeting
Monica Weis	FOB - GWINN	Meeting
Monica Joseph	WLD - CF	Meeting
Patrick Olson	Norway – FRD	Meeting
Penney Melchoir	WLD- Roselake	Meeting

Pete Glover	FRD - Gwinn	Meeting
Rich Ahnen	CF – FRD	Meeting
Rob Katona	PRD – Marquette	Meeting
Ron Yesney	PRD – Marquette	Meeting
Scott Heather	FRD – Lansing	Meeting
Scott Jones	FRD – Lansing	Meeting
Terry Minzey	WLD - ISH	Meeting
Theresa Sysol	FRD Gwinn	Meeting
Tom Paquin	PRD – Marquette	Meeting
Tom Seablom	FRD – Marquette	Meeting

Appendix 4 – Additional Audit Techniques Employed

A supplemental stakeholder meeting was held on the evening of October 16, 2012 that focused on chain of custody certification for independent loggers that purchase stumpage from the state forests and for whom their customers desire the wood to be still certified upon receipt at the mill gates.

Appendix 5 – Pesticide Derogations

<input type="checkbox"/> There are no active pesticide derogations for this FME.		
Name of pesticide/ herbicide (active ingredient)		Date derogation approved
FSC-DER-30-001-USA 2,4-D 2-ethylhexyl ester		January 5, 2010
FSC-DER-30-001-USA Dicamba		January 5, 2010
FSC-DER-30-001-USA Diflufenzuron		January 5, 2010
FSC-DER-30-001-USA Hexazinone		January 5, 2010
Condition	Conformance (C/ NC)	Evidence of progress
Derogations were not evaluated in 2012.		

Appendix 6 – Detailed Observations

Evaluation Year	FSC P&C Reviewed
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2010	All – (Re)certification 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	C1.2, C1.3, C1.4, C1.5, C1.6, C2.1, C2.2, C4.1, C4.3, C4.5, C5.1, C5.2, C5.3, C5.4, C5.6, C6.4, C6.7, C6.8, C7.2, C7.3
2013	
2014	

C= Conformance with Criterion or Indicator

NC= Non-Conformance with Criterion or Indicator

NA = Not Applicable

NE = Not Evaluated

REQUIREMENT	C/NC	COMMENT/CAR
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.		
C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.	C	
1.2.a. The forest owner or manager provides written evidence that all applicable and legally prescribed fees, royalties, taxes and other charges are being paid in a timely manner. If payment is beyond the control of the landowner or manager, then there is evidence that every attempt at payment was made.	C	DNR has instituted an extended payment policy but vendors appear to be reasonably satisfied, as their principal concern is being paid; no complaints were raised with the auditors on this matter.
C1.3. In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.	C	
1.3.a. Forest management plans and operations comply with relevant provisions of all applicable binding international agreements.	C	No evidence generated during the 2012 surveillance audit indicates non-conformance to this Indicator.
C1.4. Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.	C	
1.4.a. Situations in which compliance with laws or regulations conflicts with compliance with FSC Principles, Criteria or Indicators are documented and referred to the CB.	C	Michigan DNR regularly makes contact with the SCS lead auditor.
C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized	C	

activities.		
1.5.a. The forest owner or manager supports or implements measures intended to prevent illegal and unauthorized activities on the Forest Management Unit (FMU) .	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. Encroachment by neighbors onto State Forest land is a growing problem. See OBS 2012.3
1.5.b. If illegal or unauthorized activities occur, the forest owner or manager implements actions designed to curtail such activities and correct the situation to the extent possible for meeting all land management objectives with consideration of available resources.	C	See OBS 2012.3
C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.	C	
1.6.a. The forest owner or manager demonstrates a long-term commitment to adhere to the FSC Principles and Criteria and FSC and FSC-US policies, including the FSC-US Land Sales Policy, and has a publicly available statement of commitment to manage the FMU in conformance with FSC standards and policies.	C	MDNR is demonstrating an ongoing commitment to management in conformance with the FSC certification standard by successfully maintaining its certification for the past 8 years..
1.6.b. If the certificate holder does not certify their entire holdings, then they document, in brief, the reasons for seeking partial certification referencing FSC-POL-20-002 (or subsequent policy revisions), the location of other managed forest units, the natural resources found on the holdings being excluded from certification, and the management activities planned for the holdings being excluded from certification.	C	DNR has committed all but minor portions of state-owned forestlands to be within the scope of their FSC certification; areas that are outside the scope of their certificate have been duly excised per FSC requirements. As part of the 2010 recertification audit process, DNR developed a written justification for not including all lands within the scope of the audit and that justification includes reference to FSC-POL-20-002.
1.6.c. The forest owner or manager notifies the Certifying Body of significant changes in ownership and/or significant changes in management planning within 90 days of such change.	C	DNR has been diligent in keeping SCS informed about changes in ownership or management planning.
P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.		
C2.1. Clear evidence of long-term forest use rights to the land (e.g., land title, customary rights, or lease		

agreements) shall be demonstrated.		
2.1.a. The forest owner or manager provides clear evidence of long-term rights to use and manage the FMU for the purposes described in the management plan.	C	No change—DNR clearly has the long-term right to manage the MI State Forests.
2.1.b. The forest owner or manager identifies and documents legally established use and access rights associated with the FMU that are held by other parties.	C	No evidence generated in this annual surveillance audit that would suggest DNR’s conformance to this Indicator has changed since the 2010 re-certification audit.
2.1.c. Boundaries of land ownership and use rights are clearly identified on the ground and on maps prior to commencing management activities in the vicinity of the boundaries.	C	MDNR conducts surveys as necessary to clarify and confirm boundaries. Protect survey markers during operations. Sale boundaries are marked before harvest. Property lines are marked prior to operations when operations are located on the periphery of State Forest land.
C2.2. Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies. <i>Applicability Note: For the planning and management of publicly owned forests, the local community is defined as all residents and property owners of the relevant jurisdiction.</i>	C	
2.2.a. The forest owner or manager allows the exercise of tenure and use rights allowable by law or regulation.	C	Permitting process and policies support the exercise of tenure and use rights.
2.2.b. In FMUs where tenure or use rights held by others exist, the forest owner or manager consults with groups that hold such rights so that management activities do not significantly impact the uses or benefits of such rights.	C	Easements and land consolidation activities. Collaborate with other property owners and confirm access rights when crossing properties to access state land.
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.	C	
4.1.a. Employee compensation and hiring practices meet or exceed the prevailing local norms within the forestry industry.	C	DNR was found to still be in conformance with this Indicator
4.1.b. Forest work is offered in ways that create high quality job opportunities for employees.	C	DNR was found to still be in conformance with this Indicator
4.1.c. Forest workers are provided with fair wages.	C	DNR was found to still be in conformance with this Indicator
4.1.d. Hiring practices and conditions of employment are non-discriminatory and follow applicable federal, state and local regulations.	C	DNR was found to still be in conformance with this Indicator

4.1.e. The forest owner or manager provides work opportunities to qualified local applicants and seeks opportunities for purchasing local goods and services of equal price and quality.	C	DNR was found to still be in conformance with this Indicator
4.1.f. Commensurate with the size and scale of operation, the forest owner or manager provides and/or supports learning opportunities to improve public understanding of forests and forest management.	C	DNR was found to still be in conformance with this Indicator
4.1.g. The forest owner or manager participates in local economic development and/or civic activities, based on scale of operation and where such opportunities are available.	C	DNR was found to still be in conformance with this Indicator
C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).	C	
4.3.a. Forest workers are free to associate with other workers for the purpose of advocating for their own employment interests.	C	Clearly, forest workers still maintain their right to freely associate with other workers for the purpose of advocating for their own employment interests. However, threats to the right of collective bargaining for state employees are expanding in the Upper Midwest
4.3.b. The forest owner or manager has effective and culturally sensitive mechanisms to resolve disputes between workers and management.	C	DNR maintains highly developed mechanisms for resolving disputes between rank and file workers and management.
C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.	C	
4.5.a. The forest owner or manager does not engage in negligent activities that cause damage to other people.	C	DNR continues to demonstrate a commitment to responsible and socially responsive forest management
4.5.b. The forest owner or manager provides a known and accessible means for interested stakeholders to voice grievances and have them resolved. If significant disputes arise related to resolving grievances and/or providing fair compensation, the forest owner or manager follows appropriate dispute resolution procedures. At a minimum, the forest owner or manager maintains open communications, responds to grievances in a timely manner, demonstrates ongoing good faith efforts to resolve the grievances, and maintains records of legal suites and claims.	C	Natural Resource Commission meetings are open meetings with time on the agenda for public comment. Management holds meetings to resolve internal disputes informally. A written dispute resolution process has long existed. DNR maintains a policy of responding to correspondence within 10 days.

4.5.c. Fair compensation or reasonable mitigation is provided to local people, communities or adjacent landowners for substantiated damage or loss of income caused by the landowner or manager.	C	No evidence arose during this surveillance audit to suggest non-conformance to this Indicator
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.		
C5.1. Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.	C	
5.1.a. The forest owner or manager is financially able to implement core management activities, including all those environmental, social and operating costs, required to meet this Standard, and investment and reinvestment in forest management.	C	Despite ongoing budgetary and associated staff reductions, DNR has managed to find creative solutions that enable ongoing implementation of core management activities and in a manner that maintains adequate conformance with the FSC certification standard.
5.1.b. Responses to short-term financial factors are limited to levels that are consistent with fulfillment of this Standard.	C	Harvest levels remain within calculated allowable harvest levels.
C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest’s diversity of products.	C	
5.2.a. Where forest products are harvested or sold, opportunities for forest product sales and services are given to local harvesters, value-added processing and manufacturing facilities, guiding services, and other operations that are able to offer services at competitive rates and levels of service.	C	This annual surveillance audit confirmed that DNR remains committed to benefiting local and regionally based forest products businesses, from independent logging firms to wood products manufacturing companies.
5.2.b. The forest owner or manager takes measures to optimize the use of harvested forest products and explores product diversification where appropriate and consistent with management objectives.	C	<p>There is a product utilization specialist position within FMD.</p> <p>The competitive bidding structure for state timber sales helps to assure that wood is going to the “highest and best use.”</p> <p>A diversity of income sources (timber sales, biomass energy sales, mining leases, permits) is associated with the management of the State Forest lands.</p>
5.2.c. On public lands where forest products are harvested and sold, some sales of forest products or contracts are scaled or structured to allow small business to bid competitively.	C	As confirmed in a meeting with independent loggers at the Marquette OSC on October 16, 2012, numerous MI State Forest timber sales are purchased by small logging companies.
C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.	C	

<p>5.3.a. Management practices are employed to minimize the loss and/or waste of harvested forest products.</p>	<p>C</p>	<p>Field observations during the 2012 surveillance audit revealed ongoing conformance with this Indicator.</p>
<p>5.3.b. Harvest practices are managed to protect residual trees and other forest resources, including:</p> <ul style="list-style-type: none"> • soil compaction, rutting and erosion are minimized; • residual trees are not significantly damaged to the extent that health, growth, or values are noticeably affected; • damage to NTFPs is minimized during management activities; and • techniques and equipment that minimize impacts to vegetation, soil, and water are used whenever feasible. 		<p>Field observations during the 2012 surveillance audit revealed ongoing conformance with this Indicator.</p>
<p>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>	<p>C</p>	
<p>5.4.a. The forest owner or manager demonstrates knowledge of their operation’s effect on the local economy as it relates to existing and potential markets for a wide variety of timber and non-timber forest products and services.</p>	<p>C</p>	<p>DNR State Forest managers and employees are cognizant of the impacts of the Department’s activities on the regional forest products sector. There remains a less developed awareness of the regional economic benefits that are generated by non-timber activities such as recreation that are an important component of the management of the State Forest lands.</p>
<p>5.4.b The forest owner or manager strives to diversify the economic use of the forest according to Indicator 5.4.a.</p>	<p>C</p>	<p>Conformity to this Indicator continues, but there is an opportunity to enhance recreational use of Hunter Walking Trails (see OBS 2012.6) that would generate additional regional economic benefits being generated by the State Forests.</p>
<p>C5.6. The rate of harvest of forest products shall not exceed levels which can be permanently sustained.</p>	<p>C</p>	
<p>5.6.a. In FMUs where products are being harvested, the landowner or manager calculates the sustained yield harvest level for each sustained yield planning unit, and provides clear rationale for determining the size and layout of the planning unit. The sustained yield harvest level calculation is documented in the Management Plan.</p> <p>The sustained yield harvest level calculation for each planning unit is based on:</p> <ul style="list-style-type: none"> • documented growth rates for particular sites, and/or acreage of forest types, age-classes and species distributions; • mortality and decay and other factors that affect 	<p>C</p>	<p>The area/volume check method of regulating allowable harvest levels on the MI State Forests is a time-tested and effective approach, as examined and discussed in the 2010 re-certification audit report. However, ramped-up and persistent use of out-of-year-of-entry scheduling of timber harvests can undermine the credibility and sustainability of the allowable harvest calculation process.</p> <p>See OBS 2012.2</p>

<p>net growth;</p> <ul style="list-style-type: none"> • areas reserved from harvest or subject to harvest restrictions to meet other management goals; • silvicultural practices that will be employed on the FMU; • management objectives and desired future conditions. <p>The calculation is made by considering the effects of repeated prescribed harvests on the product/species and its ecosystem, as well as planned management treatments and projections of subsequent regrowth beyond single rotation and multiple re-entries.</p>		
<p>5.6.b. Average annual harvest levels, over rolling periods of no more than 10 years, do not exceed the calculated sustained yield harvest level.</p>	C	Conformance to this Indicator is maintained, but out of year of entry harvesting could become an issue.
<p>5.6.c. Rates and methods of timber harvest lead to achieving desired conditions, and improve or maintain health and quality across the FMU. Overstocked stands and stands that have been depleted or rendered to be below productive potential due to natural events, past management, or lack of management, are returned to desired stocking levels and composition at the earliest practicable time as justified in management objectives.</p>	C	Ongoing conformity to this Indicator was confirmed during this annual surveillance audit.
<p>5.6.d. For NTFPs, calculation of quantitative sustained yield harvest levels is required only in cases where products are harvested in significant commercial operations or where traditional or customary use rights may be impacted by such harvests. In other situations, the forest owner or manager utilizes available information, and new information that can be reasonably gathered, to set harvesting levels that will not result in a depletion of the non-timber growing stocks or other adverse effects to the forest ecosystem.</p>	C	No change in conformity since the 2010 re-certification audit.
<p>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.</p>	C	
<p>6.4.a. The forest owner or manager documents the ecosystems that would naturally exist on the FMU, and assesses the adequacy of their representation and protection in the <i>landscape</i> (see Criterion 7.1). The assessment for medium and large forests include some or all of the following: a) GAP analyses; b) collaboration with</p>	C	The recent process for identifying and protecting Biodiversity Stewardship Areas involved a combination of data analysis from natural heritage inventory, GAP analysis, regional plans, and searches of aerial photography and field sites by forest management staff in district offices. An example of the process was

<p>state natural heritage programs and other public agencies; c) regional, landscape, and watershed planning efforts; d) collaboration with universities and/or local conservation groups.</p> <p>For an area that is not located on the FMU to qualify as a Representative Sample Area (RSA), it should be under permanent protection in its natural state.</p>		<p>demonstrated by staff interviews and a field site visit to a proposed BSA in the Gwinn Unit.</p> <p>The Michigan GAP analysis was one of the building blocks for BCPP. Natural heritage biologists and other experts comprised Core Design Teams. Ecoteams with larger scope are involved, as are opportunities for input from the public.</p>
<p>6.4.b. Where existing areas within the landscape, but external to the FMU, are not of adequate protection, size, and configuration to serve as representative samples of existing ecosystems, forest owners or managers, whose properties are conducive to the establishment of such areas, designate ecologically viable RSAs to serve these purposes.</p> <p>Large FMUs are generally expected to establish RSAs of purpose 2 and 3 within the FMU.</p>	C	<p>Ecoteams in each of 4 regions looked both on state lands and surrounding lands for representative samples of natural communities and solicited input and cooperation from surrounding landowners. The boundaries of BSAs often include lands owned by private entities or other government agencies. Management of BSAs, or portions thereof, that are not on State Forest lands, is voluntary.</p>
<p>6.4.c. Management activities within RSAs are limited to low impact activities compatible with the protected RSA objectives, except under the following circumstances: a) harvesting activities only where they are necessary to restore or create conditions to meet the objectives of the protected RSA, or to mitigate conditions that interfere with achieving the RSA objectives; or b) road-building only where it is documented that it will contribute to minimizing the overall environmental impacts within the FMU and will not jeopardize the purpose for which the RSA was designated.</p>	C	<p>The BCPP/BSA process is not yet completed due to dedication of key staff to other activities, most recently the completion of the Regional State Forest Management Plans.</p> <p>See OBS 2012.1</p>
<p>6.4.d. The RSA assessment (Indicator 6.4.a) shall be periodically reviewed and if necessary updated (at a minimum every 10 years) in order to determine if the need for RSAs has changed; the designation of RSAs (Indicator 6.4.b) is revised accordingly.</p>	C	<p>Conformity to this indicator does not need to be demonstrated for several more years</p>
<p>6.4.e. Managers of large, contiguous public forests establish and maintain a network of representative protected areas sufficient in size to maintain species dependent on interior core habitats.</p>	C	<p>See OBS 2012.1</p>
<p>C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an</p>	C	

environmentally appropriate manner at off-site locations.		
6.7.a. The forest owner or manager, and employees and contractors, have the equipment and training necessary to respond to hazardous spills	C	Appropriate training sessions are offered at frequent intervals for staff.
6.7.b. In the event of a hazardous material spill, the forest owner or manager immediately contains the material and engages qualified personnel to perform the appropriate removal and remediation, as required by applicable law and regulations.	C	Active and open harvesting sites visited during this year's audit did not yield evidence of fluid leaks or spilled fluids. Harvest contractors interviewed during this year's audit had spill kits on site.
6.7.c. Hazardous materials and fuels are stored in leak-proof containers in designated storage areas, that are outside of riparian management zones and away from other ecological sensitive features, until they are used or transported to an approved off-site location for disposal. There is no evidence of persistent fluid leaks from equipment or of recent groundwater or surface water contamination.	C	Work Instruction 2.2 is still operational and no evidence of non-conformance was observed during this year's audit.
C6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.	C	
6.8.a. Use of <i>biological control agents</i> are used only as part of a pest management strategy for the control of invasive plants, <i>pathogens</i> , insects, or other animals when other pest control methods are ineffective, or are expected to be ineffective. Such use is contingent upon peer-reviewed scientific evidence that the agents in question are non-invasive and are safe for native species.	C	MI DNR works closely with other state and federal agencies to research and experiment with biological control agents for control of forest pests and invasive species. Before such agents are used, national peer review is completed and permits are acquired from APHIS.
6.8.b. If biological control agents are used, they are applied by trained workers using proper equipment.	C	The only use in recent years has been a parasite for control of European ash borer and an insect for spotted knapweed.
6.8.c. If biological control agents are used, their use shall be documented, monitored and strictly controlled in accordance with state and national laws and internationally accepted scientific protocols. A written plan will be developed and implemented justifying such use, describing the risks, specifying the precautions workers will employ to avoid or minimize such risks, and describing how potential impacts will be monitored.	C	Such monitoring and reporting is a requirement of permits for use of biological control agents.
6.8.d. Genetically Modified Organisms (GMOs) are not used for any purpose	C	No use of GMOs on certified Michigan State Forests
C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific	C	

<p>and technical information, as well as to respond to changing environmental, social and economic circumstances.</p>		
<p>7.2.a The management plan is kept up to date. It is reviewed on an ongoing basis and is updated whenever necessary to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances. At a minimum, a full revision occurs every 10 years.</p>	<p>C</p>	<p>Of very positive note, the review drafts of the Regional State Forest Management Plans were completed in 2012.</p>
<p>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</p>	<p>C</p>	
<p>7.3.a. Workers are qualified to properly implement the management plan; All forest workers are provided with sufficient guidance and supervision to adequately implement their respective components of the plan.</p>	<p>C</p>	<p>DNR worker training remains strong. However, there is an opportunity to enhance the training of PRD employees who are now responsible for managing most State Forest campgrounds, boat ramps and recreational trails.</p> <p>See OBS 2012.5</p>

Appendix 7 – Chain of Custody Indicators for FMEs

Chain of Custody indicators were not evaluated during this annual audit.