



**FSC Certification Report for the  
2007 Annual Audit of:  
THE NIPISSING FOREST  
under the  
Sustainable Forest Licence  
of  
NIPISSING FOREST RESOURCE MANAGEMENT**

**Certificate Number: SCS-FM/COC-00055N**

**Under the  
SCS Forest Conservation Program  
(An FSC-Accredited Certification Program)**

**Date of Field Audit: September 5-7, 2007  
Date of Report: November 10, 2007**

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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website ([www.scscertified.com](http://www.scscertified.com)) no later than 60 days after the report is finalized.

## **1.0 GENERAL INFORMATION**

### **1.1 CONTACT INFORMATION**

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### **1.2 General Background**

This report covers the fourth annual surveillance audit of the Nipissing Forest under the Sustainable Forest Licence (SFL) of Nipissing Forest Resource Management Inc. (NFRM) pursuant to the FSC (Forest Stewardship Council) and SCS (Scientific Certification Systems) guidelines for annual audits as well as the terms of the forest management certificate awarded by SCS in May 2003 (SCS-FM/COC-00055N). All certificates issued by SCS under the aegis of the FSC require, at a maximum periodicity, annual audits to ascertain ongoing compliance with the requirements and standards of certification.

NFRM is owned by a group of shareholders which are: R. Fryer Forest Products Ltd., Goulard Lumber Ltd., Tembec Inc. (Mattawa Division), Hec Clouthier and Sons Inc., and Grant Forest Products (Englehart). The SFL, under the Crown Forest Sustainability Act, is administered by the Ontario Ministry of Natural Resources (OMNR), North Bay District Office. There are also 11 independent operators that have overlapping licence agreements with NFRM (four of which are First Nation or Aboriginal Communities).

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
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit
- 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.

At the time of the September 2007 annual audit, there were no open Corrective Action Requests and 3 open Recommendations, the status of NFRM's response to which was a major focus of the annual audit (see discussion, below, for a listing of those Recommendations and their disposition as a result of this annual audit). Concurrent with the annual audit of Nipissing Forest an annual field accreditation audit of Scientific Certification Systems was conducted by Accreditation Services International (ASI), a wholly-owned subsidiary of the Forest Stewardship Council. ASI deployed a two-person team consisting of Achim Droste (ASI Accreditation Program Manager) and Robert Spence, RPF, (Manager of Eastern Operations, Silv-Econ Ltd, Newmarket, Ontario) to conduct the accreditation audit of SCS.

### **1.3 Guidelines/Standards Employed**

The May 2004 Draft 1.0 Version of the FSC Canada Standards for Well Managed Forests in the Great Lakes St. Lawrence Forests of Ontario and Quebec (GLSL) was utilized to evaluate the management of the Nipissing Forest. The 2004 standard is currently under review and is available in the revised form as a Field-Tested Draft, April, 2007 on the FSC Canada website ([www.fsccanada.org](http://www.fsccanada.org)). This Field-Tested Draft was not utilized in the annual audit in 2007, since it has not been adopted at this time. This would be the GLSL standard, if approved, which would be utilized for the recertification audit currently scheduled for 2008.

### **1.3 Chain of Custody Certification**

SCS conducted a joint forest management and chain of custody certification evaluation of the Nipissing Forest. The chain of custody scope covers the stump to mill yard gate. That is, chain-of-custody begins with the severing of a standing tree to produce a merchantable log and ends with that log leaving the custody at the mill yard gate.

During the fieldwork for the forest management evaluation, the team investigated the manner by which NFRM can maintain chain of custody over the logs that leave the forest gate to assure that only logs from the Nipissing Forest would carry the certified status. The team noted that NFRM and the shareholder are subject to the MNR bill of lading system used on all Crown lands. There are four copies of the transport tickets, noting the number of logs or weight, and where the load originated. The MNR and contractors control these. Tickets are held by the trucker and accompany the load of logs to the mill to verify load specifications, after which a copy is given to the mill and to the MNR; also the logging and trucking contractors each keep a ticket. Regardless of where the logs are transported, their origin can be traced with the ticket system. With this legally required bill of lading, the potential of contamination with uncertified logs is eliminated at least until the logs reach the log yard/sawmill.

A loaded truck was stopped as it was leaving a Goulard harvest operation and the driver Pierre Ethier was interviewed about the Bill of Lading, and the BOL for the load was checked. The required information had been filled in on the BOL, including the date of the load, the township of origin along with the MNR Approval Number for the load, in this case 21057. There were the expected three copies of the BOL on board the truck. The loader retains one copy and the other

three will be given to the office at the mill. There were no identifying marks on the logs on the load.

It was concluded on review of the chain of custody procedure that the chain of custody certification awarded to NFRM to cover logs that leave “forest gate” to “sawmill log yard gate” should be retained.

## **2.0 SURVEILLANCE DECISION AND PUBLIC RECORD**

### **2.1 Assessment Dates**

Since the 2006 annual audit, there were audit activities undertaken on the following dates:

- On January 23, 2006 discussions started on possible dates for the 2007 annual audit.
- On March 29, 2007 Peter Street and audit team agree to dates of the 2007 annual audit for NFRM.
- On August 8, 2007 Peter Street of NFRM provides audit team members Walter Mark and Peter Higgelke with a summary of actions for the past year.
- On August 17, 2007 Peter Street of NFRM provides audit team members with an update on activities for the past year, new policies and new approval documents for planning and timber harvest.
- On August 20, 2007 Walter Mark provided suggested stops for the 2007 audit to the audit team members and Peter Street.
- On August 23, 2007 a conference call was held to finalize the agenda for the annual audit with Peter Higgelke, Robert Hrubes, Peter Street and Walter Mark.
- On September 5-7, 2007, an SCS audit team (Hrubes, Mark and Higgelke) conducted the annual audit of NFRM, including on-site inspections of field operations as well as extensive interviews with NFRM management, field personnel, and consultants.

The Annual Audit of the NFRM required a total of 14 person days. This time was broken down as follows:

- Pre-audit preparation, including review of standards, review of past audit reports, preparation of templates and review forms, and review of documentation provided by NFRM – 2 person days.
- Conduct field audit of NFRM - 8 person days
- Consultation with stakeholders – 0.5 person days
- Preparation of Draft Annual Audit Report – 3 person days
- Review of comments and revision of Annual Audit Report – 0.5 person days

### **2.2 Assessment Personnel**

For this annual audit, the team included Dr. Robert Hrubes, Dr. Walter R. Mark and Peter Higgelke. Dr. Hrubes acted as the team leader. Peter Higgelke was a member of the certification audit team for the Nipissing Forest in 2002 and has served on the past three annual audits. Dr. Mark has participated as a member of the audit team for the past three annual audits on the Nipissing Forest.

**Dr. Robert Hrubes** – Dr. Hrubes is Senior Vice-President of Scientific Certification Systems (SCS). He is a California State Registered Professional Forester (RPF) and forest economist with 30+ years of professional experience in both public and private forest management issues. Before becoming Senior Vice-President of SCS, Robert worked in collaboration with SCS to develop the programmatic protocol that guide all their Forest Conservation Program evaluations. Robert has led numerous SCS Forest Conservation Program evaluations of North American (U.S. and Canada) industrial forest ownerships, as well as operations in Scandinavia, Chile, Solomon Islands, New Zealand, Australia and Japan. He also has professional work experiences in Brazil, Germany, Guam (U.S.), Hawaii (U.S.), and Malaysia. Robert is a founding member of the FSC and served on the first elected board of directors. He is a member of the FSC's Pacific Coast Working Group. He has a Ph.D. in Wildland Resource Science from the University of California, Berkeley.

**Dr. Walter R. Mark:** Dr. Mark is a professor of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, the University's FSC Certified school forest. Dr. Mark specializes in forest health and silviculture. Dr. Mark is a consultant for Scientific Certification Systems and is responsible for the audit. Dr. Mark is a registered professional forester in California (RPF No. 1250) with over 35 years of forestry experience in the public forestry and higher education sectors. He acted as lead for the 2004 through 2006 Nipissing Forest Annual Audits. He has served as audit team member and leader for several certification, recertification and annual audits over the past several years.

**Peter Higgelke:** Consulting Forester, Managing Partner of KBM Forestry Consultants Inc. (Ontario). As a principal in KBM, Mr. Higgelke specializes in forest auditing, forest management planning, forest inventory, wildlife habitat supply analysis modeling, business plan preparation, timber harvesting, and forest renewal prescriptions. Mr. Higgelke is a registered professional forester in the province of Ontario, Canada. He has advised First Nations on forest management, forestry negotiations and economic development. In the past he lectured at Lakehead University on integrated forest resources management and GIS applications in forestry. Peter was a member of the SCS team that performed the original FSC certification audit of NFRM in 2002 and participated in the 2004 through 2006 annual audits.

### **2.3 Assessment Process**

The scope of the 2007 annual audit, as with all annual audits, included: document review, auditors spending time in the field and office, interviewing management personnel, consultants, and as appropriate, interacting with outside stakeholders.

An FSC Certification Annual Audit was conducted starting on Wednesday, September 5, 2007 and concluding on Friday, September 7, 2007. The field stops were selected by the audit team from maps and block activity descriptions provided by NFRM. Stops were selected to look at activities directly related to open Recommendations, as well as to review a broad spectrum of activities conducted since the last annual audit. The scope of activities during the past two field seasons has been impacted by the salvage operations resulting from the July 17, 2006 storm related blowdown, which occurred over a gross area of approximately 20,000 ha of the Nipissing Forest and some smaller blowdown events during 2007. Due to the large blowdown event that occurred in July 2006, most of the field audit sites for the 2006 annual audit were located at the west end of Lake Nipissing, the McConnell Lakes area, and the Matawa area, the focus of harvesting operations during the past year. For the current audit, field sites were selected that provided a much larger base of the land in the Nipissing Forest.

**Day One – Wednesday September 5, 2007**

The audit started off with a breakfast meeting of the audit team members, Robert Hrubes and Walter Mark, the general manager of the Nipissing Forest, Peter Street, and the two FSC audit team members, Robert Spence and Achim Droste. The general background, purpose and objectives of the annual audit were discussed, the Recommendations were reviewed, the documentation provided and still needed was discussed, and items to be specifically visited in the field audit were determined.

Table 2.3.1.a: Day One AM Itinerary

Activities	Licensee/Contractor	Comments
Meet with Nipissing Forest general manager, Peter Street, Nipissing Forest Management Staff, at Nipissing Forest Management Offices	NA	Opening session of audit with introductions and background information including purpose and objectives and the concurrent field accreditation audit of SCS by FSC. Review open recommendations. Review documentation provided as evidence of action on Recommendations. Reviewed outcome of lawsuit and current status.

Discussions about concerns over the general economic condition of the forest industry in Ontario and the potential impact on the Nipissing Forest including the impact on operators and shareholders were held. The shareholder list was provided to the audit team. The general organizational structure and operations of crown SFL's was reviewed. Some general management challenges were discussed; including silvicultural and social aspects of transitional forest types, First Nation's involvement, white pine rehabilitation, market conditions for low quality hardwoods as well as other products, the large number of RSA's, ATV access on the forest and the nature of the forest holdings and the general population within the forest boundaries. The schedule for the next two days and the field sites to be visited was finalized from the preliminary itinerary. Specific discussion on Standard 6.4 the Gap Analysis, Principle 9 the HCV's, and activities in the area of silvicultural effectiveness monitoring took place and actions were reviewed. The Recommendations that remain open from previous audits were reviewed and the lines of evidence provided were reviewed for completeness.

After lunch, the audit team (Robert Hrubes and Walter Mark) the FSC audit team (Achim Droste and Robert Spence) along with NFRM staff (Peter Street, Ian Kovacs, and Mark Lockhart) and Randy Morrison from MNR departed from the NFRM offices for the first day of field site visits in the southeastern portion of the Nipissing Forest.

Table 2.3.1.b: Day One PM Itinerary

Activities	Licensee/Operator	Comments
Stop 19 in documentation binder at Block Number 72, an active harvest in mixed woods with some hardwood shelterwood areas. Recent compliance concerns have been noted with an unauthorized water crossing and aggregate pit.	Lucien Groulx and Son	The silvicultural prescription was reviewed and a walk through the cut units confirmed the application of the prescription and excellent operations from a silvicultural perspective. Several water crossings were examined that were listed as in compliance with comments or in compliance. Three of these had cmp's installed which were very short for the width of the road bed over the top of the cmp's. This resulted in special actions to prevent fill from entering the stream on one of the crossings and evidence of fill entering the stream was present on two other crossings. The site of an unauthorized crossing and aggregate pit was visited and discussion took place over the non-compliance and repair order issued for that site. CAR 2007.6
Viewed red pine plantation along	Tembec Industries	The red pine plantation had been

Bolter Access Road	Inc.	thinned and underplanted with white pine 6 years ago.
Stop 9 in documentation binder at Block 161. A clearcut with NDPEG harvest from 2006 in the area of the white pine blowdown from the July 2006 storm	R. Fryer Forest Products Ltd.	Looked at extensive areas of blowdown salvage operations. The prescription and application of the prescription were reviewed and appeared to be well applied on the ground in terms of retention standards and compliance with AOC's. A compliance issue was noted on the operation due to continued operation after the approval for operations had expired and a new number had not been issued.

### Day Two – Thursday, September 6, 2007

The Thursday portion of the audit was devoted to field audit visits in the northwestern portion of the Nipissing Forest with a departure from North Bay at 7:30 am. The participants included the audit team (Robert Hrubes, Walter Mark, and Peter Higgelke); FSC audit team (Achim Droste and Robert Spence); LLC member, Lorie Reed; NFRM staff: Peter Street, Michelle Laliberte, and Francois Simard; MNR Staff: Randy McLaren, Forestry Senior Technician and Joel Girard, Forestry Compliance Technician; and Nicol G. Sequin from Goulard Lumber, Ltd.

Table 2.3.1.c: Day Two Itinerary

Activities	Licensee/Operator	Comments
Stop One in documentation binder at Salvage Block 899. This block is a spruce budworm salvage operation added to the FMP through an amendment.	Goulard Lumber Ltd.	The salvage prescription and history of the budworm infestation were discussed. The area was harvested as a clear cut with NDPEG. Since the area was harvested under salvage terms, reduced renewal inputs have led to a change in the silviculture treatment, leaving the area for natural regeneration. Funding to plant the area has been proposed to the Forestry Futures Trust but has not yet been obtained. Without planting, the white and black spruce components of the stands within this block are certain to be

		<p>compromised in the future forest. See CAR 2007.5.</p> <p>Compliance with AOC markings were observed for road buffers, snow mobile trails and cold water fisheries.</p> <p>A temporary water crossing, which was removed, was checked.</p> <p>A small area of herbicide treatment to tend white spruce regeneration was viewed near the water crossing mentioned above. See CAR 2007.7.</p> <p>This was a project with several miles of primary road upgrades underway. These included widening, gravelling, and water crossing upgrades. One non-compliance water crossing site was examined, where an AOC had been widened due to road relocation and grubbing had occurred in the AOC. The grubbing had been repaired. See CAR 2007.6.</p>
Unplanned stop at active herbicide tending of planted white pine.	The Wilderness Group was the silvicultural contractor hired by NFRM	<p>An active spray operation with sprayers attached to skidders was observed. The herbicide in use was Advantage. The purpose was to release white pine seedlings planted following a shelterwood harvest. Red oak seedlings were hand clipped prior to spray operations, to prevent herbicide damage to the red oak. Two employees of the contractor were interviewed; Alex Nebesney, mixer and 2<sup>nd</sup> supervisor and Raul Guddet, sprayer operator. From the interviews it was determined that the training and occupational health and safety standards for the Province were not being met. See CAR 2007.1 and CAR 2007.3.</p>
Stop 10 in documentation binder at Block 21.	Goulard Lumber Ltd.	This stop was at a clear cut with NDPEG for spruce and mixed

		<p>hardwoods. The prescription called for leaving existing white pine for possibility of future conversion to white pine. Mechanical site preparation was planned with planting of white spruce in 2008. The area had been mechanically site prepared with a single pass of spiked chains. The effectiveness of the site preparation was questionable. There was an expression of likely needed tending in the future after planting. See CAR 2007.5</p>
<p>Stop 3 in documentation binder at Block 5</p>	<p>Goulard Lumber Ltd.</p>	<p>This was a white birch site which was clearcut with emphasis on insular and peninsular retention under the NDPEG guidelines. During pre-harvest inspections, pockets of white pine were found on the site and retained for future white pine restoration. There were areas of moose overwintering and summer thermal cover in the insular and peninsular patches. These were designed to protect those areas. These were identified during the marking operations in the stand. Some limited rutting had occurred on the site, especially in close proximity to the insular and peninsular patches. Good example of on the ground recognition and modification to protect resources. On the travel route to the next site the group passed an aggregate pit on the forest that was not in current use and had not been rehabilitated into a safe condition during the period between uses. See CAR 2007.4</p>
<p>Stop 4 in documentation binder at Block 9</p>	<p>Grant Forest Products transferred to Goulard Lumber Ltd.</p>	<p>Operations here had been started by Grant Forest Products during winter 2006-07 and then transferred part way through operations to Goulard</p>

		Lumber Ltd in August 2007. This is an area where blowdown in a previously harvested white pine shelterwood took place in 2006 and again in 2007. There were some issues of right of way cutting and road design in the blocks. This block had regular harvest and two separate salvage operations occurring; one for blowdown and one for budworm damage. Logs had to be kept separated in landings due to differences in stumpage, renewal and forestry futures rates. Talked with truck driver for Goulard on the haul road and reviewed procedures, safety equipment, licensing, and bill of lading.
Stop 7 in documentation binder at Block 62	Grant Forest Products	This was a primary road upgrade project. This road upgrade and access construction raised concerns by local cottagers about future access to the area. We were unable to access the area due to active construction.
Stop 17 in documentation binder at Block 82	Tembec Industries, Inc.	This was a trial area of strip shelterwood cuts applied in yellow birch to attempt to regenerate yellow birch. Past shelterwood efforts have led to extensive maple regeneration with little yellow birch. Very visible difference in yellow birch success in cutting operations. The practice needs more refinement and closer monitoring to determine success and extent of future applicability. See CAR 2007.5.

### Day Three – Friday, September 7, 2007

On Friday the field audit was concentrated on the northeastern portion of the Nipissing Forest. The participants included the audit team (Robert Hrubes, Walter Mark, and Peter Higgelke);

FSC audit team (Achim Droste and Robert Spence); LLC co chair and member, Dave Minden; NFRM staff: Peter Street, John Yarlasky, Rick Hansel and Ian Kovacs; MNR Staff: Marinus Verwey, Resources Technician and Guylaine Thauvette, Nipissing Forester.

Table 2.3.1.d: Day Three Itinerary

<p>Stop 20 in documentation binder at Block 86</p>	<p>Behnke Logging and Trucking Ltd.</p>	<p>This site was a small salvage area of blowdown. The prescription was for clearcutting with NDPEG. Several issues of non-compliance related to road right of way infringements were discussed. These included unauthorized access points and piling of logs in right of way. Also noted were some compliance issues where unmarked trees had been harvested and with leaving cut logs in the woods. Overall the silvicultural aspects of the logging looked good and the contractor is able to take on small salvage operations. Local cottagers have been complaining about the operations. Discussion took place on ways to obtain better compliance from the operator through cooperation with MNR.</p>
<p>Stop 12 in documentation binder, white pine research plots and Block 15</p>	<p>Heritage Reforestation</p>	<p>A joint research project looking at white pine regeneration methods and tending methods was visited. This project was started in 1999 and is jointly operated through NFRM, Domtar Inc., Tembec Industries Ltd., the Canadian Forest Service, and the Canadian Ecology Center. Results have significant implication for future management guidelines and implications on the continued use of herbicides for white pine restoration. An area of blowdown salvage and tending was also visited in a nearby white pine shelterwood unit. See CAR 2007.7.</p>

<p>Stop 13 in documentation binder at Tembec Block 102</p>	<p>Janveaux Forest Products</p>	<p>Block consisted of several forest units with several field stops, the first of which was located in a red pine area treated extensively as red pine seed tree clear cut. Trees left as seed trees exhibited little to no damage reflective of careful logging practices by the operator. Harvesting operations near advanced regeneration had been performed carefully to ensure its protection. Slash had been piled for burning in the fall of this year. A Permanent Sample Plot was situated in the block and protected by locating an NDPEG insular patch around it. A stop was also made within a poplar forest unit where the poplar had been harvested with protection of advanced regeneration and the area left for natural regeneration. The final stop at this block was in</p>
<p>Stop 16 in documentation binder at Block 108</p>	<p>Natural Regeneration</p>	<p>This site was a hardwood uniform shelterwood harvest made in 2006 by Tembec. The area had been double chained for site preparation in November 2006 to attempt to obtain better yellow birch regeneration. The site preparation appeared to be a success as dense carpets of yellow birch seedlings were evident in the harvest block. The residual stand basal area had been reduced to 8 – 10 m<sup>2</sup>/ha, below normal levels, in an attempt to get more sunlight for the yellow birch. This was an excellent example of adaptive silvicultural prescription. The follow-up assessment surveys were planned for either 2 and 5 years or 3 and 7 years. The staff was unsure which would be utilized. See CAR 2007.5 On the way out of this site</p>

		equipment of a silvicultural contractor was inspected and a single walled fuel storage tank was present at the site. See CAR 2005.2
Stop 26 in documentation binder at Block 84	Heritage Reforestation	This block was clearcut under the NDPEG guidelines in 2005 and was one of the first units harvested under the then new NDPEG. The unit was planted in spring 2005 with white spruce and red pine with no additional site preparation. Pin cherry and poplar came in strong as competition for the planted stop and the area was treated with skidder mounted air blast spray of Vision in 2006. The area still has extensive competition and many areas of failed planting. Closer assessment might provide better results. See CAR 2007.5

This concluded the field visit portion of the annual audit. A dinner exit meeting was held on Friday evening. At that time the preliminary results of the annual audit and the resulting draft CAR's and Recommendations were discussed.

#### 2.4 Status of Corrective Action Requests and Recommendations

There were no outstanding or existing CAR's for the Nipissing Forest.

There were three outstanding Recommendations from the 2006 annual audit.

<b>Recommendation 2006.1:</b>
NFRM should work with the MNR to obtain updated FRI information for the forest.
<b>Company Action/Auditor Observation:</b>
The current FRI data is over 10 years old and is not adequate for planning. The NFRM effort to update the data for the forest as they obtain monitoring information has provided an adequate base up until now. The amount of updating of the existing old database is admirable and does provide an adequate although not desirable basis for forest planning. Efforts to date include field assessment of white pine stands, free-to-grow assessments, aerial inventory of blowdown and spruce budworm damaged areas, aerial surveys of moose aquatic feeding habitat, a forecast of depletions and blowdown. Future planning badly needs updated FRI data. The Ministry of Natural Resources has scheduled the Nipissing Forest to be flown for the Provincial Forest Resource Inventory in summer 2008. The updating of the FRI is a three-year process from start to finish, so the entire new database set will not be available until 2010 at the earliest. This is not in time for the next FMP, but will be extremely valuable for all future forest planning efforts.

<b>Reference: FSC 8.2.4</b>
<b>Status at October 12, 2007:</b>
This recommendation remains open. Good progress has been made and the MNR has stated a target date for FRI updates.

<b>Recommendation 2006.2:</b>
Within one year of the receipt of the gap analysis report from the MNR, NFRM should implement the appropriate resource protection areas based on the candidate areas identified.
<b>Company Action/Auditor Observation:</b>
NFRM has made good progress toward meeting the overall condition for the completion and implementation of the gap analysis. The efforts resulted in the Ontario Parks completing the gap analysis and providing that information in January 2007. NFRM and VFM have made a joint proposal to Ontario Parks for gap mitigation. The MNR and Ontario Parks are working on “disentanglement” of proposed parks and protected areas.
<b>Reference: FSC Criterion 6.4</b>
<b>Status at October 12, 2007:</b>
This recommendation remains open until the process of disentanglement and transfer of appropriate identified areas to fill legitimate gaps are completed.

<b>Recommendation 2006.3:</b>
NFRM must show how the large salvage operations associated with the July 2006 blow down, have been incorporated into the planned harvest areas for the future and demonstrate the impact on the future harvesting levels. This should be done prior to the development of the annual work schedule for 2007.
<b>Company Action/Auditor Observation:</b>
The July blowdown had an impact on as much as 20,000 hectares of uniform shelterwood pine stands. This has accelerated the area of harvest and resulted in a large volume of high quality pine logs in the market. The long-term impact of this event and the resulting salvage operations must be incorporated into the work planning and the harvest area determinations for future operations. Ground and helicopter surveys of blowdown and spruce budworm damage have been made and added to the FRI database. Two FMP amendments were prepared by NFRM and approved. The mapped blowdown and budworm mortality areas have been depleted and the information is incorporated into the planning inventory, which will be used to prepare the 2009 FMP
<b>Reference: FSC 5.6, 6.3, 7.1, and 7.2</b>
<b>Status at October 12, 2006:</b>
This recommendation has been addressed and will not be carried over to the next annual audit.

## 2.5 General Observations

According to the NFRM Trend Analysis Report there was an overall decline in utilization of harvest area during the 2004 FMP, this decline and the blowdown event of 2006 have contributed to these figures missing targets set forth in the FMP. The softwood lumber dispute with United States continues to result in poor markets for red and white pine forcing the large volume of red and white pine that entered the market after the blowdown in July 2007 had an immediate impact to lower the price for quality red and white pine logs and lumber. The market has still not recovered. The FMP includes a large area allocated with low volume/low quality material. While markets for white birch and dense hardwood pulp continued strong, the price is too low to support additional volumes being harvested in these areas. The renewal rate on pine was reduced to assist in the salvage operations; however, this does raise some questions for future funding for re-establishment efforts. Some of the effects of this lowered renewal rate have already been observed in the regeneration efforts on the forest. One additional mill in the area has closed since the 2006 audit and one more appears to be having financial problems and may be in danger of closing. All of this has contributed to a declining timber industry in the area. There is an opportunity being discussed for the construction of one or more cogeneration plants that would provide a market outlet for low quality hardwood materials. If this plant(s) were to be built and could pay for this material, it would greatly enhance the opportunities to meet the cut levels set forth in the plan, as well as to meet the goals for red and white pine restoration on these sites.

The shareholders in the SFL are Grant Forest Products, Fryer Forest Products, Goulard Lumber, Tembec, Inc., and Hec. Clouthier & Sons Inc. These shareholders now hold 86.6 percent of the harvesting rights on the SFL. The total harvest right of independent operators is 5.3 percent. First Nations harvesting rights are 8.1 percent. Concerns over the ability of NFRM to implement the activities in the 2009 FMP do exist because of the shortfall of harvests.

NFRM has been stable since the last annual audit. Prior to the last audit the overall staff was organized into three teams under the general manager: Harvesting and Roads, Planning, and Silvicultural. This seems to have been a very effective transition and has increased the monitoring efforts, even so, a new CAR related to monitoring silvicultural effectiveness and a new CAR related to water crossings were issued. An increase in non-compliance did occur as part of the salvage operations in the red and white pine. Most of these were in the category of administrative non-compliance related to hauling without the proper authority and harvesting under expired authorizations.

The lawsuit filed against NFRM which was settled in its favor since the 2005 annual audit continues to be an issue. The final resolution of this issue about cutting rights may not be reached yet, pending appeal.

## **2.6 New Corrective Action Requests and Recommendations**

There were eight new minor corrective action requests issued as a result of the 2007 annual audit.

<b>Auditor Observation/Non-Conformity:</b>
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Auditor interviews with employees of contractors provided evidence that the observance of some of the Ontario labor laws were not being followed. Evidence indicated that legislated limits on the total hours worked per week and the pay of overtime were not observed. Contracts observed in previous audits specified this requirement for contractors; however, the evidence from worker interviews indicated non-compliance with the contract language. NFRM must verify that the terms of the contracts are followed by the contractors and that efforts are made by contractors to ensure that their employees are aware of Ontario's employment standards.
<b>CAR 2007.1:</b>
By the time of the 2008 re-certification audit, NFRM must provide documented evidence to SCS that it has taken actions necessary for assuring that all contractors operating on Nipissing Forest are complying with Provincial labor regulations and that contractors are making their employees aware of provincial employment standards.
<b>Reference: FSC 1.1, 4.2, 4.2.1</b>
<b>Status at September 7, 2007:</b>
This is a new minor CAR. This item must be reviewed in the recertification audit in 2008.

<b>Auditor Observation/Non-Conformity:</b>
During the audit in the field, contractors equipment was checked and it was determined that the fuel tanks for refueling equipment did not comply with provincial regulations (e.g. single wall fuel tanks, tanks parked on travelled part of the road, tanks not parked on mineral soil, etc.). Contracts should specify that fuel handling by contractors meets or exceeds Provincial requirements.
<b>CAR 2007.2:</b>
By the time of the 2008 re-certification audit, NFRM must provide documented evidence to SCS that it has taken actions necessary for assuring that all contractors operating on Nipissing Forest are complying with Provincial regulations for fuel handling.
<b>Reference: FSC 1.1, 5.3, 6.7</b>
<b>Status at September 7, 2007:</b>
This is a new minor CAR and will be reviewed in the 2008 recertification audit.

<b>Auditor Observation/Non-Conformity:</b>
During the audit in the field, interviews with contractors' employees provided evidence that they had not received training on the handling of chemicals. Under the FSC standards training programs for staff handling chemicals must be provided.
<b>CAR 2007.3:</b>
By the time of the 2008 re-certification audit, NFRM must provide documented evidence to SCS that it has taken actions necessary for assuring that all contractors operating on Nipissing Forest are complying with Provincial regulations requiring that all workers receive proper training before handling and working with herbicides and other chemicals.
<b>Reference: FSC 1.1, 4.2, 4.2.1, 6.7.3</b>

<b>Status at September 7, 2007:</b>
This is a new minor CAR and will be reviewed in the 2008 recertification audit.

<b>Company Action/Auditor Observation:</b>
During the course of the field audit, several aggregate pits were examined and several were found to be in a condition that was not safe or not rehabilitated properly. This included aggregate pits in Categories 9 and 14.
<b>CAR 2007.4:</b>
By the 2008 recertification, NFRM must take steps to assure that all inactive gravel/aggregate pits on the forest are in compliance with Provincial regulations such as proper sloping of the pit walls; documented evidence must be conveyed to SCS that all pits have been brought into compliance with Provincial regulations.
<b>Reference: FSC 1.1, 4.2, 4.2.1</b>
<b>Status at October 12, 2007:</b>
This is a new minor CAR and will be reviewed in the 2008 recertification audit.

<b>Company Action/Auditor Observation:</b>
During the audit in the field, several sites with inadequate regeneration were observed. The schedule for assessment of regeneration efforts does not seem to be rigid enough or timely enough to provide for success in some instances. Staff often commented that they had not been into an area of regeneration since the area was planted or tended and were anxious to see what the results of the past actions had been. Schedules discussed in the field indicated either a 2 and 5 year assessment or a 3 and 7 year assessment, but the actual schedule was not known.
There needs to be an assessment system developed that incorporates risk, site, and intensive silviculture into a protocol to develop a system of monitoring that will be both timely and effective.
<b>CAR 2007.5:</b>
By the time of the 2008 re-certification audit, NFRM must provide documented evidence to SCS that it has instituted further modifications and improvements to their silvicultural effectiveness monitoring (SEM) program so as to assure more systematic and timely monitoring of regeneration adequacy
<b>Reference: FSC 7.1.5, 8.1.1, 8.1.3</b>
<b>Status at September 7, 2007:</b>
This is a new minor CAR and will be reviewed in the 2008 recertification audit.

<b>Company Action/Auditor Observation:</b>
During the audit in the field, several crossings were observed that had “non-compliance” FOIPs, “in compliance with comments” FOIPs, or “in compliance” FOIPs that did not meet minimum standards to protect the aquatic resources. In general, these involved the

installation of a culvert that was too short for the crossing. This resulted in extra actions being taken or in some cases evidence of sediment delivery to the streams.

Note the MNR standards require that the bank around a culvert must be stable – it does not explicitly specify a required culvert length– hence the in-compliance with comments designation – NFRM is planning to incorporate a requirement in the “Conditions of Approval to the AWS” to follow a formula specifying the length of a culvert based upon the road width and the height of fill

**CAR 2007.6:**

By the time of the 2008 re-certification audit, NFRM must provide documented evidence to SCS that it has taken actions necessary for assuring that all stream crossings designed and constructed on Nipissing Forest are in full compliance with Provincial Crown Land Guidelines and best management practices such that aquatic resources are not being adversely impacted.

**Reference: FSC 4.5.2, 6.5.2, 6.5.3**

**Status at September 7, 2007:**

This is a new minor CAR and will be reviewed in the 2008 recertification audit.

**Company Action/Auditor Observation:**

During the course of the field audit, chemical use for silvicultural operations was provided in the annual report. This data does not provide information on the trends of the use of herbicides, nor did it specify the target species for the chemical applications. The FSC standards do allow for use for restoration efforts of certain species, but are clear on the reduction of dependence on chemicals for other uses.

**CAR 2007.7:**

At the time of the 2008 re-certification audit, NFRM must provide annual herbicide use data for the past 5 years that is disaggregated into two categories:

- Applications intended to enhance or maintain white pine, red pine, and red oak regeneration
- Applications associated with competition control in all other circumstances

Data must be disaggregated by application method.

**Reference: FSC 6.6.2, 6.2.3, 6.6, 6.6.2, 6.6.3,**

**Status at October 12, 2006:**

This is a new minor CAR and will be reviewed in the 2008 recertification audit.

**Company Action/Auditor Observation:**

During the annual audit in the office and the field, the issue of the use of herbicides in silviculture was reviewed. The documentation provided showed that the use was most extensive in white pine and red pine restoration efforts. There did not seem to be any alternatives that had been shown to be effective in meeting the mandate to increase the white pine in the forest. This condition seems to put the forest managers in a position where conflicts in Provincial policy conflict with FSC standards and where within the FSC standards likely conflicts exist. There seems to be potential conflicts among the

following FSC Indicators: FSC 6.2.2, 6.2.3, and 6.6.2. The FMP for the forest also includes a section on the mandate of the Province to increase the presence of white pine on the forest.
<b>CAR 2007.8:</b>
Within 3 months of receipt of the 2007 annual surveillance report, NFRM must initiate dialogue with FSC-Canada, in collaboration with SCS, aimed at resolving the conflict between Provincial directives to increase white pine within Nipissing Forest and FSC GLSL Regional Indicator 6.6.3 which requires “continuous reduction in herbicide use.”
<b>Reference: FSC 1.4, 6.2.2, 6.2.3, 6.6.2, 6.6.3</b>
<b>Status at September 7, 2007:</b>
This is a new minor CAR and will be reviewed when the materials are received by SCS or at three months from the issuance of the CAR.

No new Recommendations were issued as a result of the 2007 annual audit.

## **2.7 General Conclusions of the 2007 Annual Audit**

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that NFRM’s management of the Nipissing Forest in Ontario, Canada continues to be in strong overall compliance with the FSC Principles and Criteria, as elaborated by the draft 1.0 version of May 2004 Standards for the Great Lakes and St. Lawrence Forests. That is, and while there remains aspects of the management program that are somewhat deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that NFRM’s forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as NFRM’s operations are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted.

## **3.0 DETAILED OBSERVATIONS**

This section is divided into two parts: Section 3.1 details the determining of conformance and non-conformance with the elements of the standard examined during this audit. Section 3.2 discusses any stakeholder comments.

### **3.1 Evaluation of Conformance**

The auditors chose to focus on Principles 5 and 9 during this surveillance audit:

#### **Draft FSC Standards for Well Managed Forests in the GLSL Forests of Ontario and**

**Quebec**  
**Version 1.0, 5/2004**

Note: this document omits verifiers, applicability notes, and intent statements, annexes, and other information contained in the full standard.

REQUIREMENT	C/N C	COMMENT/CAR
<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>C1.1 Forest management shall respect all national and local laws and administrative requirements.</b>	C	<b>CAR 2007.1, CAR 2007.2, CAR 2007.3, CAR 2007.4</b>
1.1.1. The applicant, staff and/or contractors understand the legal and administrative obligations regarding forest management and a system is in place whereby staff are kept up-to-date with new regulations. (See Appendix 1 for a listing of relevant provincial and national legislation).	C	Training records provided for all staff of NFRM indicate that the company is dedicated to keeping its employees up to date in new regulations. The spring training program for operators and shareholders covers all of the regulations and obligations which are relevant to their roles.
1.1.2. The applicant should have a satisfactory record of compliance with agencies responsible for enforcement of forestry practices	C	There were several noncompliance issues associated with the salvage operations related to the July 2006 blowdown event. Even so, the overall number of noncompliance reports issued is low, with a total of 13 non-compliance report issued since the last audit. NFRM adopted two new policies to address the noncompliance reports issued in the past year. It is too early to assess the impact of these policies. This will be audited in the 2008 audit.
<b>C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.</b>	C	
1.2.1. The applicant demonstrates he/she is in good standing with government agencies with respect to tax requirements including but not limited to: Revenue Canada (income tax and GST); Ministry of Revenue or Provincial treasury (PST, stumpage fee accounts); Municipalities (property taxes); Workplace Safety and Compensation Board; Licensing bodies such as Natural Resources.	C	The current tax bill for 2007 and payment record were included in the evidence package
<b>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.</b>		
1.3.1. Applicants understand the legal and administrative obligations with respect to relevant international agreements (see Appendix 2 for list of relevant international Agreements Canada is signatory to)		
<b>C1.4. Conflicts between laws, regulations and</b>		There appears to be a conflict between the Provincial

<b>the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and by the involved or affected parties.</b>		requirement for restoration of white pine and other species and the FSC requirement to plan to phase out the use of pesticides, including herbicides. This conflict needs to be resolved.  <b>CAR 2007.8</b>
1.4.1 Situations in which the applicant's compliance with the laws and regulations conflicts with the compliance with FSC Principles, Criteria or indicators are documented provided to FSC Canada		
1.4.2 The applicant works with the appropriate regulatory bodies and FSC to resolve discrepancies between laws/regulations and FSC Principles and Criteria		
<b>C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.</b>	C	
1.5.1. A system exists for documenting and reporting to the appropriate authorities instances of illegal harvesting, settlement, occupation or other unauthorized activities	C	No trespass events occurred since the last annual audit.
<b>C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b>	C	
1.6.1. The forest manager can demonstrate a commitment to comply with these regional standards for the length of the current management plan and has declared their intention to protect and maintain the integrity of the forest in the long term.	C	This is part of the FMP for the Nipissing Forest. The Province has decided that all Crown Forests must be third party certified.
1.6.2. The applicant demonstrates a long-term commitment to adhere to the FSC Principles and Criteria.	C	NFRM staff members have participated in FSC Canada meetings to assist in review of standards and to provide input on issues. Documentation of their review of the Field Tested Standard April 2007 was provided.
<b>P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.</b>		
<b>C2.1. Clear evidence of long-term forest use rights to the land (e.g., land title, customary rights, or lease agreements) shall be demonstrated.</b>		
2.1.1. Property boundary lines are established and delineated before harvesting begins so as to be unambiguous and acceptable to neighbouring landowners.		
<b>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.</b>		
2.2.1. Customary tenure or resource use rights held by communities are identified and		

documented.		
<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	
2.3.1. Resource conflicts with adjoining landowners or other resource users are resolved or being addressed in a systematic manner	C	The lawsuit over the cutting rights of one independent operator was decided in favor of NFRM; however, the plaintiff has indicated they may appeal.
2.3.2. The owner and/or manager is not involved in outstanding disputes of substantial magnitude on the applicant forest involving a significant number of interests.	C	See comments in 2.3.1.
<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>C3.1. Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.</b>		
3.1.1. The applicant keeps abreast of and, in the management plan, is able to demonstrate a good working knowledge of the Indigenous communities, their legal and customary rights and their interests related to forest lands within the forest management planning area.		NFRM met jointly two times with MNR and the First Nations since the 2006 audit. Agendas and programs for the meetings in November and December 2006 were provided.
3.1.2. The applicant obtains agreement from each affected Indigenous community verifying that their interests and concerns are clearly incorporated into the management plan. Such agreement will also include: <ul style="list-style-type: none"> <li>▪ A description of the roles and responsibilities of the parties;</li> <li>▪ The interests of the parties;</li> <li>▪ A description of appropriate decision-making authorities for all parties;</li> <li>▪ A dispute resolution mechanism; and</li> <li>▪ Conditions under which consent has been given and under which it might be withdrawn, if any.</li> </ul> <p>This agreement is not intended to abrogate or derogate from their Aboriginal and Treaty Rights.</p>		
3.1.3. The applicant participates in and/or supports the efforts of the affected Indigenous communities to develop the financial, technical and logistical capacity to enable them to participate in all aspects of forest management and development. This could include (but is not	C	.See comments in 3.1.1

restricted to) activities ranging from planning and decision-making to the establishment of businesses or the pursuit of employment related to forest management.		
3.1.4 The applicant has jointly established with affected and interested Indigenous communities, opportunities for long-term economic benefits where that is the desired objective.	C	A list of First Nation contracts from April 1, 2006 through March 31, 2007 was provided to the audit team
3.1.5 A dispute resolution process for addressing and resolving grievances has been jointly developed with the affected Indigenous communities and is being fairly implemented.		
<b>C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</b>		
3.2.1. The applicant makes use of an existing assessment or, in the absence of an assessment, undertakes a joint assessment of Indigenous resources and tenure rights with the affected Indigenous communities.	C	A values collection meeting was held in February 2007 and NFRM was able to obtain an outside contribution toward the cost of the meeting.
3.2.2. Based on the results of the assessment, the applicant develops management activities outlined in the management plan to ensure that Indigenous resources are not threatened or diminished.		
<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>		
3.3.1. The applicant supports the efforts of the affected Indigenous communities to conduct land use studies and mapping which result in an Indigenous areas of concern protection agreement, addressing information sharing, protection, mitigation and/or compensation, and confidentiality measures for Indigenous traditional values and uses.		
3.3.2. The applicant supports the efforts of the affected Indigenous communities to monitor the impacts over time of forestry activities on the values identified in the Indigenous areas of concern protection agreement.		
3.3.3. Where Indigenous communities have indicated that forestry operations on particular blocks or sites are creating a threat of serious environmental, economic, or cultural impact, the applicant suspends or relocates forestry operations or until disputes are resolved. Examples of serious threats could include: <ul style="list-style-type: none"> <li>• Destruction of burial sites, spiritual sites, spawning areas, medicinal areas;</li> </ul>		

<ul style="list-style-type: none"> <li>• Severe disruption of livelihood;</li> <li>• Damage to community water supply; and,</li> <li>• Severe disruption of food chain to the community.</li> </ul>		
<p><b>C3.4. Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.</b></p>		
<p>3.4.1. The applicant enters into an agreement with the affected Indigenous communities which compensates for the use of traditional knowledge that leads to the:</p> <ul style="list-style-type: none"> <li>• Commercial use of a forest species, in particular non-timber forest products;</li> <li>• Improved management plans; or</li> <li>• Improved operations.</li> </ul>		
<p><b>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</b></p>		
<p><b>C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</b></p>	C	<p>The NFRM staff members participate in and host a wide variety of educational and training programs throughout the year; including, college groups, foreign visitors, local environmental groups, and research organizations. Several examples of this type of educational program were provided during the audit.</p>
<p>4.1.1. The applicant emphasizes the procurement of goods and services from local suppliers and communities, at reasonable prices and delivered within a reasonable time frame, using a fair and open process.</p>		
<p>4.1.2. According to its means, the applicant contributes to local and affected communities in a manner that builds capacity and enhances quality of life.</p>	C	<p>NFRM contributes to many local organizations to assist in providing support funds as well as providing speakers on a variety of forestry related topics</p>
<p>4.1.3. According to its means, the applicant contributes to local and affected communities in a manner that builds capacity and enhances quality of life and community stability.</p>	C	<p>See 4.1.2. A summary of the cash contributions to local organizations was provided in the documentation. Staff members can recommend organizations to be included in the donations.</p>
<p>4.1.4 Local processing and manufacturing opportunities are investigated and pursued where viable.</p>	C	<p>Both the VFM and the NFRM supported the proposal to establish a 10 megawatt co-generation plant in the Noelville/Monetville area. The also made a presentation to a potential private partner.</p>
<p>4.1.5. Management policies and practices strive to obtain a balance between investment in human employment and education and investment in technology.</p>		
<p>4.1.6 Total remuneration packages for forest workers, including wages and other benefits (health, retirement, worker's compensation,</p>		

housing, food, profit sharing), are fair and compare favourably with prevailing local standards.		
<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>		See comments under 4.2.1.  <b>CAR 2007.1, CAR 2007.3, CAR 2007.4</b>
4.2.1. On large tenure, the applicant has developed and is implementing a program of worker safety. The safety program is periodically reviewed for currency and completeness. The program includes, but is not limited to: <ul style="list-style-type: none"> <li>• a comprehensive safety policy;</li> <li>• compliance and safety monitoring schedules and procedures;</li> <li>• monitoring the condition and functionality of plant and equipment;</li> <li>• regular review of work schedules and hours of work;</li> <li>• the provision of appropriate safety equipment for forest workers and woodlands staff (e.g. hardhats, eye protection, gloves, hearing protection, suitable footwear, etc.);</li> <li>• identification of safety training needs and the provision of safety training; and</li> <li>• the identification of safety coordinators and specifications of their responsibilities.</li> </ul>	C	An extensive manual on worker safety has been prepared and is in the offices. NFRM does hold worker safety training sessions on an annual basis; however, not all of the silvicultural contractors appear on the list of attendees. Silvicultural contractors are required to complete an orientation checklist prior to commencement of operations. This checklist was on file for one contractor where clear violations of regulations in hours worked and compensation rates for hours worked did not follow Provincial policy. This same contractor was utilizing workers who claimed not to have received training on the safe handling of pesticides.  <b>CAR 2007.1, CAR 2007.3, CAR 2007.4</b>
4.2.2. The applicant and contractors hold adequate public liability and employers liability insurance.		
<b>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).</b>	C	Provincial regulations provide this to employees.
4.3.1. The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in the Canadian Labour Code and/or provincial Labour Codes and at a minimum comply with ILO Conventions 87 and 98.	C	
<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 FMP process requires extensive opportunities for public input into the FMP.
4.4.1. Harvest operations and road designs are modified so as to minimize aesthetic externalities and noise, especially in the vicinity of high use areas (e.g. cottaging, canoeing).	C	The annual work schedules are prepared following the FMP and extensive mailings and contacts are made. If areas of concern arise, meetings are held with individuals and local groups to discuss their concerns and ways to mitigate the impacts. Evidence of this was seen in road construction to provide access to a new logging area in the vicinity of

		cottages.
4.4.2. Adjacent landowners and local resource users that may be directly affected by forest operations are provided with notice, and their concerns considered prior to commencement of harvesting and operations.	C	The AWS procedure includes direct contacts with all nearby residents and business operators including RSA's and trappers.
4.4.3. Employees and contractors are given an appropriate opportunity to participate in and give feedback on management decisions and policy formulation that may affect them.	C	An annual contractor meeting is held to discuss the AWS and other concerns.
4.4.4. Local communities , community and non-government organizations, forest workers, and the interested public directly affected by forestry activities are provided with meaningful opportunities to participate in forest management planning. The applicant demonstrates that all input was considered and responded to.	C	The planning for the new 2009 FMP is already underway. In consultation with stakeholders, it was apparent that they have been asked to participate in the process right from the start.
4.4.5. The applicant shall demonstrate through documentation that significant efforts were made to contact Indigenous forest users and communities affected by or interested in forest management in the area under certification; that efforts were made to work with Indigenous forest users and communities to become involved in identifying and addressing forest-related issues; that Aboriginal and treaty rights were recognized consistent with the requirements of Principle 3, and agree that Indigenous peoples' participation will not prejudice those rights.	C	This is one of the topics covered in the periodic meetings with the First Nations.
4.4.6 On Crown lands, a public participation process is used to supplement the requirements of 4.4.4. The applicant openly seeks representation from a broad and balanced range of interested parties and invites them to participate. The public participation process uses clearly defined ground rules that contain provisions on: <ul style="list-style-type: none"> <li>• content;</li> <li>• goals;</li> <li>• timelines;</li> <li>• internal and external communication;</li> <li>• resources (including human, physical, financial, information and technological, as necessary and reasonable);</li> <li>• roles, responsibilities and obligations of participants, including their organizations;</li> <li>• conflict of interest;</li> <li>• decision-making methods;</li> <li>• authority for decisions;</li> </ul>	C	The LLC for the forest is very active and engaged in the forest operations. The First Nations meet on a regular basis with NFRM and had their own meeting during the FMP process.

<ul style="list-style-type: none"> <li>• mechanism to adjust the process as needed;</li> <li>• access to information (including this standard);</li> <li>• the participation of experts, other interests and government; and</li> <li>• a dispute resolution mechanism.</li> </ul> <p>The participants have been involved in the development of, and agreed to, the terms of reference. The applicant establishes and maintains a list of interested and/or contacted parties, including those that chose to participate, those that decided not to participate and those that were unable to participate. The list shall contain names and contact information.</p>		
<p>4.4.7 On Crown lands, the public participation process is meaningfully integrated with the forest management planning process. Areas of integration include:</p> <ul style="list-style-type: none"> <li>• participating in the development and assessment of alternative strategies;</li> <li>• participating in the development/writing of forest management plans;</li> <li>• participating in the review and evaluation of monitoring results;</li> <li>• helping with the resolution of resource use conflicts (e.g., trapping, remote tourism, etc); and</li> <li>• observing the certification audit.</li> </ul> <p>The forest management plans demonstrate consideration of recommendations from public participation and general agreement with the comments from the public participation process.</p>	C	See 4.4.6
<p><b>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.</b></p>		
<p>4.5.1. The applicant exercises due diligence in avoiding circumstances in which damage may be caused to property, rights, resources or livelihoods.</p>		
<p>4.5.2. The applicant’s operator training courses and materials stress practices which avoid the occurrence of environmental damage (e.g. damage to the site, residual timber, watercourses or sites of cultural significance).</p>	C	<p>There was a contractor spring training course hosted by NFRM to address this issue. The agenda was provided to the auditors.</p> <p><b>CAR 2007.6</b></p>
<p>4.5.3 The applicant has a process in place for fairly resolving disputes with other resources</p>	C	<p>There is a process for dispute resolution that includes a meeting with the District Manager and if required with the</p>

users and the general public that result from forest planning and operations.		Regional Director. If these hearings do not resolve the issue to the satisfaction of the stakeholder a bump-up request to the the Ministry of the Environment (MOE), is available.
4.5.4 There is a track record of successfully resolving disputes to the satisfaction of both parties in a timely manner.	C	Having had only one issue resolution hearing since the initial certification audit indicates NFRM does an excellent job of resolving conflicts.
<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>C5.1. 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.</b>	C	The declining softwood markets cause some concern for the economic viability of the forest industry in the area. NFRM is participating in the process to provide wood supplies to a proposed co-generation plant in the Noelville/Monetville area.
5.1.1. The applicant has the resources to implement the management plan(s), and all associated forest management activities (including road building, harvesting, renewal and tending, restoration, monitoring and mitigation of negative impacts, habitat management, etc.).	C	Reduced harvest levels from those planned may interfere with the implementation of all the aspects of the FMP. At this time the staff of NFRM has been maintained and is able to implement the AWS. The cut levels in most categories, except for pine are far below the planned harvest volumes in the FMP. The 2005-06 annual report indicates that only 41% of the planned annual depletion was actually harvested. For the time frame between 2004 and 2009, the FMP calls for harvesting 53,011 ha, while actual harvest has only been done on 8,516 ha or only 16% of the land area called for in the plan. There are two years of harvest left, so this level will increase; however, there is no way based on the most recent year’s activity for the actual harvest to be anywhere close to the planned harvests.
5.1.2. The applicant’s forest management operations are economically sustainable and capable of supporting a level of reinvestment sufficient to ensure the long-term survival of the organization/company.	C	NFRM seems stable at this time; however, further deterioration in the markets could cause some serious questions on the ability to implement the FMP.
<b>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest’s diversity of products.</b>	C	
5.2.1. The applicant seeks the optimal or “highest and best” value for forest products.	C	This was repeatedly demonstrated in the sites visited. High utilization standards and high value products are the standard of operation.
5.2.2. Local and/ or value-added processing of forest products is encouraged and facilitated where it is economically viable.	C	This was observed during the audit by the wide variety of products from the forest and the number of local processors involved.
<b>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</b>		A single walled fuel storage tank in use by a silvicultural contractor was observed in the field audit.  <b>CAR 2007.2</b>
5.3.1. All harvested merchantable and marketable timber is utilized unless left on-site to provide structural diversity and wildlife habitat or for silvicultural reasons.	C	Utilization standards are extremely high in the Nipissing Forest.
5.3.2. On-site processing sites are limited in size and number and all by-products are used for	C	A concerted effort has been made since the last audit to reduce the onsite slash through an active burning program

other consumptive uses or properly disposed of.		on the forest.
5.3.3. Harvesting and silvicultural operations are conducted in such a way as to reduce to acceptable levels the damage to the residual stand, including non-merchantable/non-marketable trees and trees being left for future harvest.	C	This was examined carefully on all field sites to determine the level of residual stand damage. There was little residual stand damage observed at any site visited during the audit.
<b>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b>		
5.4.1. Non-timber forest product opportunities are investigated and pursued if viable.		
5.4.2. Forest product types are diversified and the use of under-utilized species is promoted.	C	The yellow birch trials are aimed at better utilization. The work to promote a local co-generation plant would assist in utilization of low volume, low quality hardwood stands.
5.4.3 Recreational activities are identified, and monitored to minimize environmental damage.	C	AOC's are established around trails. RSA agreements are in place with a large number of operators to protect the resources needed for their recreational businesses.
<b>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</b>		
5.5.1 The applicant demonstrates a commitment to reduce the external costs (externalities) associated with forestry operations		
<b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>	C	
5.6.1 The applicant demonstrates that the analysis and calculation of harvest rates of forest products is based upon: <ul style="list-style-type: none"> <li>• A precautionary approach that reflects the presence and quality of information and assumptions;</li> <li>• Credible growth and yield information;</li> <li>• A recent inventory;</li> <li>• Sensitivity analysis of the assumptions that go into the Annual Allowable Cut (AAC) calculation particularly where there is greater uncertainty of the assumptions, where data are weaker, or where the outcome is highly sensitive;</li> <li>• Areas available for harvest;</li> <li>• Natural succession pathways;</li> <li>• Success of silvicultural treatments;</li> <li>• Credible estimates of the rate and extent of natural depletion;</li> <li>• Operational constraints;</li> <li>• Forest projection/habitat/wood supply model runs extending considerably (at least 100 years) into the future; and,</li> <li>• Future forest condition objectives as</li> </ul>	C	The allowable and actual cuts for the past several years and the projections for the future were reviewed in the Trend Analysis document and in numerous discussions with the planning forester. A larger concern than over cutting is the significant undercutting that is taking place on the forest. This has had a negative impact on the pine restoration efforts, for example. The annual report for 2005-06 shows these clearly, refer to discussion in 5.1.1.

identified in the forest management plan.		
5.6.2 The applicant demonstrates that the analysis and calculation of harvest rates of forest products accurately reflects the requirements under other indicators.	C	This was discussed thoroughly with the planning forester.
5.6.3 The wood-supply modelling exercise in which sustainable harvest levels are identified has been subjected to peer review.	C	The Trend Analysis reflects this and the modeling was reviewed in the IFA. A new modeling effort is now underway for the 2009 FMP
5.6.4 Actual harvest rates for timber, averaged over the five most recent years, do not exceed the planned average level.	C	A bigger concern is the under harvesting when comparing the actual rates to allocated rates. See discussion in 5.1.1.
<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>C6.1. Assessments of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.</b>		
6.1.1. A methodology for impact assessment is in place. Applicants operating on Crown land and/or large holdings should base the methodology for impact assessment on the principles of adaptive management		
6.1.2. Applicants operating on Crown have assembled relevant current inventory information to serve as regional and landscape level context for impact assessment.		
6.1.3. An inventory exists of site-specific environmental/ecological values sensitive to impacts by forest operations.	C	NFRM has a forest values/AOC updating and approval form that is utilized to update the FRI database. Several examples of this in action were reviewed in the field tour and several examples of updating forms were provided to the audit team.
<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	Newly implemented HCV plan and the revision that came out in August 2007 cover this area along with AOC requirements.
6.2.1. VTE Species Vulnerable, threatened, and endangered species, communities and associated habitats, listed by COSEWIC, federal endangered species legislation/policy, relevant provincial agencies, and regional level efforts, are identified and managed in accordance with existing strategies	C	See comments under 6.2.

<p>or recovery plans. Where strategies or recovery plans are not yet developed, a precautionary approach is taken to protect known occurrences of rare species, biotic communities and their habitats. (See Appendix 1 for a listing of relevant regulations and lists).</p>		
<p>6.2.2. Rare &amp; Uncommon Species Special prescriptions are prepared to address the special status and unique characteristics of rare and uncommon species and ecosystems including:</p> <ul style="list-style-type: none"> <li>• For rare/uncommon tree species or tree species at the edge of their natural range, cutting only takes place where successful regeneration is demonstrated and viable populations exist.</li> <li>• For rare/uncommon plants, wildlife and ecosystems, appropriate buffer zones or harvest modifications are applied in order to ensure their protection.</li> <li>• Width of the buffer and management practices are appropriate to the sensitivity and size of the ecological feature.</li> </ul>	C	<p>See comments under 6.2.</p> <p>Pine restoration efforts along with efforts for other species such as red oak were evident in the field stops and in the planning efforts on the forest. The use of herbicides in this effort is extensive and seems necessary to the success for pine reproduction and tending. Red oak protection during herbicide application was observed during the field site visits.</p> <p><b>CAR 2007.7, CAR 2007.8</b></p>
<p>6.2.3. On large forest operations, the manager has established a desired target for the future distribution and abundance of white pine consistent with site conditions, historical abundance and the scale of the forest being managed using the following standards:</p> <ul style="list-style-type: none"> <li>• White pine is managed so as to increase its relative abundance and to conserve genetic diversity.</li> <li>• Where white pine is being cut successful regeneration must be demonstrated.</li> <li>• Old growth white pine stands (&gt;120 years) are not cut where they represent less than 10% of the white pine working group in the area covered by the management plan.<sup>1</sup></li> <li>• Isolated stands of white pine (&gt; 1 km from another similar sized stand) that are encountered that have less than the estimated effective breeding population (100 mature individuals 50 yrs or greater), are only harvested if adequate natural regeneration is present within the stand or white pine seed from the appropriate seed</li> </ul>	C	<p>White pine restoration targets are clearly defined. See additional comments in 6.2.2</p> <p><b>CAR 2007.7, CAR 2007.8</b></p>

<sup>1</sup> As with all of the standards in this document, common sense should prevail when interpreting them. The goal is to conserve mature white pine where it exists and to increase the relative abundance of the species. For example, in instances where the choices for conserving mature white pine are to protect a 200 ha stand of 110 year old pine or protect a 50 ha stand of 120 year old pine, the logical choice would be to protect the former.

<p>zone (OMNR 1997c) is available and is used to successfully regenerate (free to grow) an equivalent site within the seed zone.</p> <ul style="list-style-type: none"> <li>Isolated individual white pine are only harvested where they are showing signs of severe decline and are hazardous to forest workers.</li> </ul>		
<p>6.2.4. On Crown land and on large forest operations remnants pockets of late seral stage, old growth, or mature natural forests that display no known signs of past logging activities or other human disturbance should be retained.</p>	C	<p>The HCV report identifies these resources and required protections. The recently completed GAP analysis also identifies these. GAP areas like this that have been identified are excluded from the AWS; however the MNR has requested that they not be excluded from the AAC calculations.</p>
<p>6.2.5 Other Features for Wildlife The guidelines for conifer retention, supercanopy trees and mast retention in both the tolerant hardwood and conifer silvicultural guides are followed (Relevant Ontario and Quebec' silvicultural guidelines) including:</p> <ul style="list-style-type: none"> <li>Conifer Cover - all conifers (excluding balsam fir) are retained where there are fewer than 10 large conifers/ha (large = &gt;40 cm).</li> <li>Conifers retention shows preference for clumps of trees, larger trees (&gt;40 cm) and longer lived species (e.g. hemlock, Cedar).</li> <li>Supercanopy Trees -- at least one supercanopy tree (trees 60cm+ that emerge above the main canopy) is retained per 4 hectares of forest (where available).</li> <li>Mast Tree Retention – 7 or 8 Mast producing trees/ha &gt;25 cm DBH (preferably &gt;40 cm) are retained.</li> <li>A diversity of mast trees are retained where available (e.g. red and white oak, beech)</li> <li>Retention favours trees greater than 25cm dbh where available</li> <li>Retention favours trees with large, vigorous, well rounded crowns</li> </ul>	C	<p>The NFRM has a clear and well defined strategy for increasing white pine and red pine old growth components on the forest. The implementation of this strategy has been progressing. The extensive blowdown that occurred has reduced some of the effectiveness of the implementation. The review of the white pine trials for shelterwood and clearcut regeneration are yielding significant results that should be valuable in future management.</p> <p>Red oak management and strategies for increasing red oak are less well defined, but evidence of activity in this area was observed in the field audit. A new red oak silvicultural study was implemented in April 2005. The project report was made in March 2007 and was provided to the audit team.</p> <p>Several examples of retention of large conifers following harvest operations were observed. Recognition of opportunities for conifer and mast producer restoration was observed as part of the harvest unit marking and layout.</p>
<p>6.2.6 Snag/Cavity Trees &amp; Downed Woody Debris To maintain sufficient snags, cavity trees, and large woody debris, the following standards apply:</p> <ul style="list-style-type: none"> <li>As many snags/ha are left standing as possible within the safety considerations of the Occupational Health and Safety</li> </ul>	C	<p>The NDPEG guidelines include providing a minimum of 6 snags/cavity trees per ha. This was observed in every harvest area included in the field audit.</p>

<p>Standards</p> <ul style="list-style-type: none"> <li>Downed woody debris is not ploughed into windrows<sup>2</sup></li> <li>A minimum of 6 snags/cavity trees per ha. are retained with an emphasis on favouring quality cavity trees over quantity</li> <li>The retention of cavity trees emphasizes leaving a mixture of alive, partially dead and dead trees (trees 20 cm or greater dbh with potential use by cavity nesters) and snags.</li> </ul>		
<p><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></p>	C	
<p>6.3.1 Forest management and silvicultural prescriptions are appropriate to the ecosite on the property under assessment and based upon a demonstrable understanding of vegetation and soil types and the use of a Forest Ecosystem Classification (FEC), Ecological Land Classification (ELC), or soil classification system if available.</p>	C	<p>Site specific prescriptions are prepared for all operations in the forest. These were provided as part of the field site review package for the audit team. Discussions on the development of the prescriptions and the adaptive management utilized when the inventory did not match the on-the-ground forest were discussed.</p>
<p>6.3.2 Forest management and silvicultural prescriptions emulate natural disturbance patterns and processes of the ecosites and follow accepted guidelines and practices.</p> <p><b>For selection system:</b></p> <ul style="list-style-type: none"> <li>Aim is to maintain a mixed age distribution and sufficient regeneration to restock the forest, while allowing sufficient growing space for the residual stems.</li> <li>On average, there should not be more than a 1/3 reduction in basal area of the stand.</li> <li>The target residual basal area of the ideal tolerant hardwood stand is 16 m<sup>2</sup>/ha - 22 m<sup>2</sup>/ha for trees 10cm (4") in diameter and up for twenty year cutting cycle. Variations from this are justified (in written form) on sound silvicultural principles.</li> <li>Large trees (50 + cm Diameter at Breast Height/DBH) are retained in sufficient numbers (7-20/ha) depending upon site quality.</li> <li>The target residual basal area may be reduced below 18m<sup>2</sup>/ha - 20 m<sup>2</sup>/ha on appropriate eco-sites where mid-tolerant</li> </ul>	C	<p>This is covered under the NDPEG as implemented on the forest. The audit team visited several sites where the NDPEG was implemented and through measurement of residual trees, determined the guidelines were implemented appropriately.</p>

<sup>2</sup> Some exceptions exist such as site preparation for white pine shelterwood systems.

<p>species, such as oak, black cherry and ash, are being targeted for regeneration (for 20-year cutting cycle).</p> <ul style="list-style-type: none"> <li>• In the use of group selection for mid-tolerant and intolerant species, the size of the forest opening does generally not exceed twice the height of the forest canopy.</li> <li>• Tree removal favours the retention of high quality stems with consideration given for species diversity and wildlife habitat.</li> <li>• Tree removal focuses on managing all diameter classes within the forest.</li> <li>• Trees to be removed are marked such that the post-cutting stump mark is evident.</li> <li>• Diameter-limit-cuts and other forms of highgrading are not used on the property.</li> <li>• Tree marking is conducted by licensed/certified tree markers (or equivalent).</li> </ul> <p><b>For clearcutting system:</b></p> <ul style="list-style-type: none"> <li>• The frequency, dispersion and size of clearcuts emulates historical disturbance patterns as closely as possible and forest manager must show how this was developed.</li> <li>• Clearcuts have irregular perimeters.</li> <li>• An average of 16 stems/ha of dominant and/or co-dominant leave trees are retained on-site.</li> <li>• In clearcuts greater than 5 ha, operators leave scattered clumps of live trees.</li> </ul> <p><b>For shelterwood/cut systems:</b></p> <ul style="list-style-type: none"> <li>• Shelterwood cuts follow the MNR silvicultural guidelines with the following additions:</li> <li>• Shelterwood regime is used to secure the regeneration and to reverse historic declines of mid-tolerant species - e.g. yellow birch, oak, white ash, basswood, black cherry, hickory and red and white pine.</li> <li>• Shelterwood regime is only used where mid-tolerant species are present in the stand or are suited to the eco-site.</li> <li>• Overstory removal cuts are scheduled so as to minimize damage to regeneration.</li> <li>• Consideration for seed year should be demonstrated when scheduling seed cuts.</li> <li>• Even-aged management systems for tolerant hardwoods are only used when</li> </ul>		
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<p>they are considered in a landscape context. Issues to be addressed include current stand conditions, ecosite characteristics, surrounding forest cover, and the frequency of naturally occurring stand replacing events and the extent to which they are being suppressed.</p> <p>Exceptions to these indicators are allowable in circumstances where restoration is first required.</p>		
<p>6.3.3 Provincial most current guidelines for the management of moose, deer, pileated woodpecker, herons, and forest nesting raptors are applied. For small parcels of forest (&lt;1,000 ha), the landscape level requirements for these standards do not apply however the stand level requirements do.</p>		<p>The moose aquatic feeding habitat has just been mapped for the forest and is an area of AOC and HCV included in harvests. Other species included in the list are in the HCV plan for the forest. Heron rookeries and raptors nests are mapped and associated protection is applied for forestry operations.</p>
<p>6.3.4. In areas of fragmented forest, particularly in Site Region 6, efforts are made to maintain connectivity of forest cover including:</p> <ul style="list-style-type: none"> <li>• Where possible, corridors have a minimum width of 300 m and a minimum 70% canopy closure (&gt;10m height).</li> <li>• Connectivity corridors should be designed to encompass such areas as riparian corridors, ravines or ridgelines.</li> </ul>		
<p>6.3.5. A road plan exists detailing planned road construction, access, and proposed road decommissioning</p>		
<p>6.3.6. Roads are closed and/or access controlled unless it can be demonstrated that there are significant economic or recreational benefits to leaving them open:</p> <ul style="list-style-type: none"> <li>• Removable bridges used to control access to sensitive areas.</li> <li>• Forest manager takes reasonable steps to stop unauthorized activities when necessary (e.g. posting signage, use of gates, etc).</li> </ul>	C	<p>Several examples of pulled water crossings were observed on the field audit. Many of these had already been bypassed by new ATV trails around the crossings.</p>
<p>6.3.7. Riparian buffers With respect to riparian areas, Crown Land Guidelines should be followed for all flowing streams.</p>	C	<p>Appropriate AOC's were clearly marked for all operations visited during the audit.</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>	C	
<p>6.4.1.i Standard for Crown Land: a) In the absence of the province completing its network of representative protected areas</p>	C	<p>Ontario Parks has completed and provided the GAP Analysis. There is a current proposal from the NFRM and VFM for lands to fill some of the identified gaps. There is a</p>

<p>based on a peer reviewed gap analysis, parties seeking certification on Crown land must:</p> <ul style="list-style-type: none"> <li>b) Make use of a peer reviewed gap analysis, and ensure protection from logging for those areas that have been identified as Candidate representative protected areas.</li> <li>c) Specially designated areas (e.g. Areas of Natural and Scientific Interest, Environmentally Sensitive Areas and similar designations in Quebec).</li> <li>d) At the time of certification, the forest manager shall have in place a strategy &amp; timeline for contributing towards achieving representation.</li> <li>e) Delineate on maps, and address in the management plan, the location of candidate areas and related strategies and timelines.</li> <li>f) Remove protected candidate areas from the landbase area when calculating the annual allowable cut (AAC).</li> </ul>		<p>disentanglement process occurring now with Ontario Parks and MNR working through this effort. Until this is complete the new protected areas cannot be transferred. Some indications are that the GAP analysis may identify some intensive forest types as gaps. This needs to be reviewed. Some areas identified in the analysis have been set aside by NFRM from including in the AWS to provide protection until their status is fully determined. However, the MNR has requested these areas not be removed from calculation of the AAC at this time.</p>
<p>6.4.1.ii Standards for Private Land Certification:</p> <ul style="list-style-type: none"> <li>a) The applicant is aware of the adequacy of representation at a landscape level and demonstrates consistent efforts to contribute to landscape level representation goals. Examples of such efforts could range from the employment of land securement techniques (easements, restrictive covenants, land trusts) to simply not logging them.</li> <li>b) Periodic audits by the certifier are used to assess progress and to help set protection targets for the following audit.</li> </ul>	<p>NA</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>6.5.1. Residual Stand Damage Major damage to the residual stand, as defined in the categories provided in Appendix XIII is confined to 10% or less of the stand An equivalent system may be used that sets an equally high standard for residual stand damage (e.g. Crown system of assessment with major damage to stems confined to 10% or less of the stand – combination of both acceptable growing stock and unacceptable growing stock).</p>	<p>C</p>	<p>Residual stand damage was examined at all partial cut field sites and very minimal damage was observed in the field sites visited.</p>
<p>6.5.2. When forest operations cross permanent water courses Provincial Crown Land Guidelines are followed:</p>		<p>Some examples of poorly installed water crossings were observed on the field audit. While these may have met the minimal level for compliance, there were not providing adequate protection of the resource.</p>

		<b>CAR 2007.6</b>
6.5.3. Crossing Seasonal Water Courses Seasonal watercourses (including seeps & ponds) are only crossed where unavoidable and the number of crossings is restricted. Where crossing is unavoidable and the crossing is temporary, water crossings do not impede water flow or disturb fish habitat, and the site is returned to its pre-harvest condition as soon as possible.		See comments under 6.5.2.  <b>CAR 2007.6</b>
6.5.4. The performance on rutting meets or exceeds the following standard		
<b>Standards for Skid Trail &amp; Landing Rutting</b>		
<b>Rutting Category</b>	<b>Max. Cumulative Distance of Rutting per Trail System to Landing</b>	
Moderate: 16 cm to 30 cm (6.1" to 12") of rutting	Can be maintained over the entire system. However, skidding operations should stop when first signs of rutting occur on branch trails.	
Major: 31 cm to 60 cm (12.1" to 24") of rutting	480 m (1,600'). If greater than 480 m then cease operations at that site. Can include up to 120 m of extreme rutting.	
Extreme: rutting greater than 61 cm (24.1")	120 metres (400'). If greater than 120 m then cease operations at that site.	
		NFRM has adopted the higher standard of the the Algonquin Forest Authority for rutting. Some indications of limited rutting were observed in units where operations were close to white cedar stands. Rerouting of skid trails in these areas would further reduce rutting and the impacts of rutting.
6.5.5. Haul Road, Skid Trail, and Log Haul roads: Skid trails and landings are well planned and designed to minimize soil erosion and removal of forest cover:		See comments in 6.5.4
<ul style="list-style-type: none"> <li>• Skid trails t cover not more than 20% of the forested area for selection cutting and 30% for shelterwood systems.</li> <li>• Landings and haul roads cover not more than 2% of the forested area.</li> <li>• Landings are limited to less than .15 ha in size, a 3% slope, and are stabilized to prevent erosion.</li> <li>• Landings make use of existing/past forest openings where possible.</li> <li>• Skid trails are spaced at roughly 50 metres for selection system when terrain allows.</li> <li>• As a general rule, haul roads are built at grades less than 10%, skid trails at grades less than 15%.</li> <li>• Haul roads and main skid trails are flagged or otherwise marked prior to harvesting.</li> </ul>		

<ul style="list-style-type: none"> <li>Trail system avoids wet spots, seeps, poorly drained areas, and intermittent streams wherever possible.</li> <li>Small woodlots in agricultural areas use open fields for haul roads wherever possible.</li> <li>Stream crossings are minimized.</li> <li>Skid bridges are removed following harvest.</li> </ul>		
<p>6.5.6. Soil Erosion On sloped roads and skid trails susceptible to erosion, water bars are installed as soon as logging is completed or when operations are suspended during wet periods.</p>		
<p>6.5.7. Mechanical Site Preparation Mechanical site preparation is used judiciously to secure regeneration and to minimize soil compaction, erosion and the displacement of organic nutrients and consistent with the following requirements:</p> <ul style="list-style-type: none"> <li>Mechanical preparation is limited to slopes less than 35 % (if site preparation is required to secure regeneration on slopes greater than 35%, logging should not occur).</li> <li>Mechanical preparation on moist and wet soils is avoided or seasonally timed to coincide with dry periods.</li> <li>Spot scarification for individual seedling establishment is preferred to large area scarification (can vary depending upon regeneration target).</li> <li>Surface organic mat and underlying mineral soils are mixed rather than simply removing organic layer (may vary depending upon regeneration target).</li> <li>Windrowing of organic layer and DWD does not occur unless it is required for site preparation intended to return the forest to an original species component or where the risk of wildfire requires preventative action.</li> </ul>	C	<p>Two sites where mechanical site preparation was used were visited to determine the impact and efficacy of this site preparation technique. There did not appear to be any negative impacts on the sites visited.</p> <p>One site had resulted in the desired yellow birch regeneration. The other site showed less success and will require tending in the future with herbicides. Mechanical site preparation is fairly limited in the Nipissing Forest and is usually associated with pine restoration efforts. The efforts reviewed in this audit are part of the ongoing attempt of NFRM to reduce the use of herbicides for site preparation work.</p>
<p><b>C6.6. Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their</b></p>	C	<p>See comments in 6.6.1, 6.6.2, and .6.6.3, as well as 6.5.7.</p> <p><b>CAR 2007.7</b></p>

<b>intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.</b>		
6.6.1. Chemical Pesticides prohibited by the FSC under Criterion 6.6 are not used.	C	The use of chemicals on the forest was reviewed for the year since the last audit. The only pesticide used was Vision for tending of regeneration.
6.6.2. The use of herbicides is limited to those situations where the goal is to regenerate or restore forest cover to formerly deforested sites (e.g. agricultural lands) or with such silviculturally challenging species as oak and white pine and underrepresented forest types across the landscape.	C	Herbicides are used for pine restoration efforts. Use for other species, especially white spruce was observed during the field audit.  <b>CAR 2007.7, CAR 2007.8</b>
6.6.3. Company demonstrates continuous reduction of herbicide use with the eventual goal of a complete phase-out of their use over time.	C	This goal is stated clearly in the FMP, with the exception of the use for pine restoration efforts. <b>CAR 2007.7, CAR 2007.8</b>
6.6.4. The use of insecticides is limited to extreme circumstances where they are necessary to control major insect outbreaks.	C	The Jack pine budworm outbreak continues to be an area where insecticides may need to be utilized by the Province on Nipissing Forest lands. If required BT a naturally occurring virus will be prescribed. The spruce budworm damage is being handled through continued salvage operations.
6.6.5. Target specific pesticides (herbicides & insecticides) may be used to control invasive exotic species for a prolonged period if necessary.	C	No invasive exotic control projects have been identified on the Nipissing Forest. No invasive exotic species have been identified on the forest.
<b>C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</b>		A single walled fuel tank was observed in use by one of the silvicultural contractors during the field audit.  <b>CAR 2007.2</b>
6.7.1. Biodegradable oil and other biodegradable products are used when available, and an active recycling program is in place for oil and plastic products.		
6.7.2. A policy exists, and is implemented, related the disposal of any inorganic wastes and substances.		
6.7.3. Applicants operating on Crown Land or large forest operations have in place training programs for staff handling chemicals.	C	An interview with an employee of a silvicultural contractor provided evidence that the employee had not received training in the safe handling of hazardous chemicals. There was a contractor checklist on file for the contractor for the job.  <b>CAR 2007.3</b>
<b>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.</b>	C	
6.8.1. The introduction of genetically engineered	C	None have been introduced.

species is prohibited except to allow for restoration efforts of native species (such as elm, American chestnut, and butternut) damaged by introduced organisms.		
6.8.2 Biological control agents (e.g. Bt) are used only where other non-chemical pest control methods are, or can reasonably be expected to be ineffective. The rationale for the use of biological control agents is documented and based on scientific evidence.	C	There is a growing Jack pine budworm problem. The provincial approach is to use the Bt insecticide for control. No control projects for this pest have been done on the Nipissing Forest since the last audit. There continues to be a high probability of use in the future, as the infestation spreads. No viable alternative that meets FSC restrictions is available.
<b>C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</b>	C	
6.9.1. The use of exotic species is strictly controlled and monitored for adverse environmental impacts and their establishment limited to former deforested sites/agricultural lands. Only species known to be non-invasive are to be used.	C	No exotic species are utilized.
<b>C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</b> a) Entails a very limited portion of the forest management unit; and b) Does not occur on High Conservation Value Forest areas; and c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.		
6.10.1 Forest conversion to plantations or non-forest land uses (except roads required for access) will not occur on High Conservation Value Forest (HCVF) areas.		
6.10.2 A maximum of 5% of the productive forest area will be available for conversion to plantations.		
6.10.3 Should any conversions of natural forest to plantations occur, it will only be done if there are demonstrable long-term, sustainable conservation benefits to the forest.		
6.10.4 The applicant does not convert forest to non-forest land (beyond that permitted in approved plans for roads, trails, landings, gravel pits and camps).		
6.10.5 Management actions are undertaken to convert all non-forest areas (landings, gravel pits, etc.) back to forest once the non-forest use has ceased.		
6.10.6 Where there are holders of overlapping tenure outside of the forest sector, the applicant works with other tenure holders to limit conversions of productive forest land to non-productive forest land uses.		

<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>		
<b>C7.1. The management plan and supporting documents shall provide:</b> <b>a) Management objectives. 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> <b>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species.</b> <b>h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</b>	C	
7.1.1. For cases in which the forest is on Crown land, stakeholders and other interested parties have been provided with opportunities, through a publicized and open consultative process, to provide input into the development of plan objectives and strategies throughout the plan development process.	C	The consultative process for the FMP and the AWS is extensive and involves opportunities for the general public and the First Nations. Evidence was provided to show how the stakeholder consultation is already underway in the development of the next FMP.
7.1.2. A description of the forest resources to be managed, environmental limitations, land use and ownership status, and socio-economic conditions, including:  <ul style="list-style-type: none"> <li>• History of ownership and management of the forest, as much as reasonably can be known by the owner/manager.</li> <li>• An inventory and description of forest resources.</li> <li>• A profile of adjacent lands</li> </ul>	C	The current FMP was provided to the audit team and covers all the requirements.
7.1.3. The rationale for rate of annual harvest and species selection including:  <ul style="list-style-type: none"> <li>• Projections of yields, growth levels and harvest volumes must be justified by clear evidence in the form of historical data, empirical experience, or research findings.</li> <li>• Rate of annual timber harvest must be calculated after protected areas, riparian zones, and non-productive forested land are</li> </ul>	C	The Trends Analysis Report was done to update this information. The annual report for 2005-06 and the IFA both address this issue.

<p>taken out of the productive land-base.</p> <ul style="list-style-type: none"> <li>Actual harvest levels should be less than or equal to actual incremental growth over the length of the management plan where possible – otherwise it can be balanced out over a 2 – 20 year period.</li> </ul>		
<p>7.1.4. Environmental safeguards based on environmental assessments including:</p> <ul style="list-style-type: none"> <li>Consideration of the potential future influence of "pests", pathogens, droughts, etc. on allowable harvests, timber values and stocking.</li> <li>Written guidelines and specifications for avoiding damage to ecosystems consistent with relevant guidelines described under Criteria 6.3 and 6.5.</li> </ul>		
<p>7.1.5. Monitoring and compliance:</p> <ul style="list-style-type: none"> <li>Indicators of progress relative to objectives are identified, and an effective and thorough method for monitoring these indicators is in place.</li> <li>An effective monitoring and compliance strategy is in place to ensure proper implementation of the management plan.</li> </ul>		<p>Extensive monitoring of compliance takes place. The compliance report was provided along with all compliance inspection reports. There did seem to be an increase in non-compliance associated with the extensive salvage operations of the past year. Most of these were in the administrative category of unauthorized hauling of logs or working under an expired authorization number.</p> <p>The monitoring effort is evident in the regeneration, free-to-grow surveys, and depletions have been included in the FRI database.</p> <p>The monitoring of recent harvest areas and planted areas seems to be a deficiency. Several examples of poor stocking and overtopped regeneration were observed during the field audit. NFRM staff were often unsure of the schedule for assessment of regeneration efforts.</p> <p><b>CAR 2007.5</b></p>
<p>7.1.6. Maps which describe the forest resource, including:</p> <ul style="list-style-type: none"> <li>Maps as they relate to management issues and objectives</li> <li>Existing and planned infrastructure, road network and roadless areas for entire length of planning period</li> <li>Protected areas</li> <li>Forest resource inventories</li> <li>Values maps (for applicants operating on Crown land, examples include: areas of special ecological significance including habitat of rare, threatened and endangered species, old growth remnants, areas with unusually high species diversity, important nesting or feeding sites or concentrations of</li> </ul>	C	<p>The mapping resource for the NFRM is very impressive. As new AOC's are identified or old ones are deleted the database is updated. All the survey work on the forest is included in the database, so the at the planning efforts have the best information available. The HCV data has been included in the mapping system. The GIS database provides for mapping of all types of considerations and resources. The Annual Work Schedule maps were utilized for audit planning.</p>

<p>species having significant cultural value. Small operations still have to present values identified in their property)</p> <ul style="list-style-type: none"> <li>Planned management activities</li> </ul>		
<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>	C	
<p>7.2.1. For applicants operating on Crown Land or for large forest operations, the management plan contains a detailed monitoring strategy consistent with the principles of adaptive management and Criterion 8.1. Small and low intensity wood operations must document their monitoring efforts</p>	C	<p>The FMP is revised on a five year rolling cycle according to provincial regulation. The current FMP covers the period from 2004 through 2009. Work on the next FMP has begun and the stakeholder input is already underway.</p>
<p>7.2.2. For applicants operating on Crown Land or for large forest operations, the monitoring strategy in the management plan is implemented.</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>7.3.1. Applicants operating on Crown Land or for large operators or groups, have a training program that emphasizes continuous education, with particular emphasis on reaching objectives as outlined in the forest management plan.</p>	C	<p>NFRM provides and extensive training program for contractors, employees, and shareholders. Lists of attendees and agendas for the spring training sessions were provided to the audit team.</p>
<p>7.3.2 Applicants operating on Crown Land or for large operators or groups provide clear guidance to field staff and contractors in the form of written manuals, policies and training so that they understand and can implement the forest management plan. Small operators provide written guidance to contractors to ensure implementation of management plan.</p>	C	<p>The policies and training materials were reviewed by the audit team as part of the office review. See comments under 7.3.1.</p>
<p><b>C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.</b></p>	C	<p>This is a requirement of SFL's in the Province.</p>
<p>7.4.1 For applicants operating on Crown Land or for large forest operations, the public is provided with a summary of the management plan and is allowed access to the complete management plan. This access is limited only by the following specific information:</p> <ul style="list-style-type: none"> <li>Confidential information collected and managed by Indigenous communities on traditional land use activities and cultural values;</li> <li>Information respecting certain values, that if made available could pose a threat to the</li> </ul>	C	<p>The public was involved through public meetings to present the FMP and the annual work schedule. The LLC has been asked to provide members to serve of various committees for the preparation of the next FMP. This process of preparing the next FMP is currently underway. The First Nations are provided an opportunity to meet as part of the LLC as well as separately with NFRM to discuss the FMP, work schedules and potential impacts of these items.</p>

<p>existence, conservation, health or integrity of those values;</p> <ul style="list-style-type: none"> <li>Existing confidentiality agreements that may restrict information sharing;</li> <li>Proprietary or confidential information in respect of existing Copyright Law, Freedom of Information and Protection of Privacy Act (FIPPA) legislation and the intellectual property rights mechanisms associated with these types of legislation; and</li> <li>Information that would affect the applicant's competitiveness (e.g. costs, revenues, etc.).</li> </ul>		
7.4.2 Small and low intensity operations on private lands should make available to the public a management plan summary at a reasonable fee and shall outline the land management objectives.	NA	
<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>		
<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>	C	
8.1.1. The applicant has a comprehensive monitoring plan that outlines the parameters to be monitored (consistent with the requirements of Criterion 8.2), and the frequency, intensity, procedures, rationale and responsibility for monitoring.	C	<p>NFRM prepares an annual compliance monitoring plan and implements it. There are a series of research plots for growth and yield and silvicultural effectiveness in yellow birch, white pine, and red oak. NFRM implemented the silvicultural effectiveness monitoring program developed by Doug Maki of the Sudbury Forest. More timely and effective assessment of regeneration is needed.</p> <p><b>CAR 2007.5</b></p>
8.1.2. To be consistent with adaptive management, where appropriate to the scale of the forest (SLIMF) and specific issues, the monitoring program has been designed to test explicitly stated hypotheses of the effects of forest management.		
8.1.3 The monitoring plan is reviewed and if necessary updated on a schedule consistent with the parameters being monitored and developments in monitoring technologies.	C	<p>See 8.1.1</p> <p><b>CAR 2007.5</b></p>
<b>8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators: a) yield of all forest products</b>	C	<p>Participation in ongoing research projects of a wide variety of topics is evident and the yellow birch research area and the white pine research areas were visited in the field audit. Additional studies underway include the NEBIE and the red</p>

<p><b>harvested, b) growth rates, regeneration, and condition of the forest, c) composition and observed changes in the flora and fauna, d) environmental and social impacts of harvesting and other operations, and e) cost, productivity, and efficiency of forest management.</b></p>		<p>oak silvicultural studies.</p>
<p><b>Yield of all forest products harvested</b></p> <p>8.2.1 The applicant monitors the yield of timber harvest volumes by species and product.</p>	<p>C</p>	<p>This is done as a matter of course in reporting to the MNR.</p>
<p>8.2.2. On public land, the applicant has assembled readily available monitoring information about the \harvest of timber by parties other than themselves.</p>	<p>C</p>	<p>This was included in the Annual Report and the Trends Analysis document.</p>
<p><b>Growth Rates, Regeneration, and Condition of the Forest</b></p> <p>8.2.3 The applicant monitors growth rates, regeneration and condition of the forest, including but not limited to forest health, disturbance, and age class structure.</p>		
<p>8.2.4 Up-to-date inventories of the forest cover are available.</p>	<p>C</p>	<p>The FRI information provided by the MNR is outdated and needs to be updated. NFRM has invested heavily in updating inventory and survey data into the existing FRI, since the new FRI survey data will not be available in time for development of the new FMP. The FRI survey is scheduled for aerial photography in 2008.</p>
<p><b>Changes in Flora and Fauna</b></p> <p>8.2.5 The applicant gathers data on flora and fauna which will help monitor the efficacy of the management plan. (MODIFY FOR SLIMF OR ADD INTENT)</p>		
<p><b>Environmental Impacts</b></p> <p>8.2.6 The applicant monitors environmental impacts of forest management activities assessed in accordance with (but not necessarily limited to) Criterion 6.5.</p>		
<p>8.2.7 The applicant monitors the impacts of forest management operations on High Conservation Value Forests as consistent with Criterion 9.4.</p>	<p>C</p>	<p>This is included in the HCV plan and evidence off this was included in the compliance report.</p>
<p><b>Impacts on Cultural Values and Resources</b></p> <p>8.2.8 The applicant monitors the impacts of forest management activities on cultural values and resources (e.g. areas of high recreational use for berry picking, snowmobiling, birdwatching, high aesthetic value areas, etc.).</p>		
<p><b>Economics</b></p>		

8.2.9 The applicant monitors the costs, productivity and efficiency of forest management activities, consistent with Criterion 5.1.		
<b>Additional</b>		
8.2.10 On public forests, large private holdings, or in resource manager schemes, the applicant is using or actively developing or participating in the development of a system of sample plots, that includes but is not limited to permanent plots, to measure forest condition and trends over time, including the impacts of forest management.		
8.2.11 On public forests, large private holdings, or in resource manager schemes, information and knowledge related to forest management are regularly assessed and the means to address gaps in them incorporated into the research and data collection program.		
<b>C8.3. Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."</b>	C	
8.3.1 A documented procedure is in place to identify FSC-certified products leaving the management unit so that the forest of origin can be identified.	C	The chain of custody for the forest to mill gate was reviewed in the audit and determined to maintain the custody record.
8.3.2 Certified forest products, while in the applicant's possession, are clearly identified through marks or labels, and/or are stored separately from non-certified forest products.	C	The Bill of Lading requirements for log loads provides this requirement. The Bill of Lading for a load of logs leaving a Goulard Lumber harvest area was checked, and a discussion of the requirements with the driver assured that the process was working as designed.
<b>C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.</b>  (note this criterion is presented without indicators)		
<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 in Criterion 8.2.</b>	C	
8.5.1. A summary of the results of monitoring activities is regularly compiled. For public lands, the summary report is available to the public.	C	The 2006 trend analysis of planned versus actual forest operations provides this information. The annual compliance report is a public document.
8.5.2 On public lands, the applicant assists the public in the interpretation of monitoring programs and their results.		
<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</b>		

<b>precautionary approach.</b>		
<b>C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.</b>	C	
9.1.1. The applicant undertakes efforts to, or makes use of existing efforts to, identify and map the presence of HCVs and HCVPs according to the assessment process in the National Framework (Appendix 4). If the process described in Appendix 4 is not used, the process that is used to identify HCVs and HCVPs must meet key characteristics and the intent of the process in Appendix 3.	C	The mapping of the HCV's is completed, although this is an ongoing process. Forms have been developed to add resources identified to the AOC and HCV databases.
9.1.2 The applicant involves qualified specialists, directly affected people and Indigenous People in the assessment.		
9.1.3 The applicant ensures that a credible outside review is undertaken and makes the assessment document(s), associated maps, and outside review report available to the public.	C	Limited outside review of the HCV report has been done. A new version was developed in August of 2007 to incorporate the review comments and other revisions. The August 2007 HCV report is available on the NFRM website ( <a href="http://nipissingforest.com/fsc/fsc.htm">http://nipissingforest.com/fsc/fsc.htm</a> ).
<b>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</b>	C	
9.2.1 The applicant provides stakeholders and other interested parties with the opportunities, through a publicized and open consultative process, to input into the identification of High Conservation Value Forests and into the development of management objectives that protect those identified values.		The first opportunity for this activity will take place in the preparation of the new FMP that will be developed for the period starting in 2009. This should be a part of that process as the new FMP is developed.
<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>		See 9.2.1
9.3.1. The management plan and supporting documents include specific strategies relevant to identified High Conservation Values that: <ul style="list-style-type: none"> <li>• Include and support federal/provincial/territorial recovery plans (biodiversity and wildlife habitat);</li> <li>• Maintain genetic distinctness (endemic species);</li> <li>• Ensure the protection and maintenance of critical habitat features (breeding sites, wintering sites, migration sites and routes)</li> </ul>		See 9.2.1

<p>by managing access including the location of reserves (no cut areas and modified harvesting), roads as well as seasonal operating restrictions;</p> <ul style="list-style-type: none"> <li>• Provide for the genetic mixing (infusion) from source populations of species at risk, species chosen to represent a range of habitat requirements, and focal species that are at the edge of the range or are outlier populations, by ensuring habitat connectivity between the local populations;</li> <li>• Provisionally defer logging in large landscape level forests until a credible conservation plan has been completed, including: conservation design aspects; protected areas gap analysis, and identification of candidate areas to fill gaps (see Principle 6.4); special management areas; and, appropriate stakeholder consultation;</li> <li>• Are jointly developed with Indigenous Peoples, local communities and affected forest users where forest areas are fundamental to meet their basic needs and are critical to maintain traditional cultural identity; and,</li> <li>• Provisionally avoid scheduling logging in large landscape-level forests until a conservation strategy has been completed that includes conservation design aspects, protected areas gap analysis and the identification of candidate protected areas. The conservation strategy should prioritize decisions of location, size and extent of protected area candidates that focus on maintaining the HCV attributes. The strategy has a well-documented rationale and incorporates input from experts and stakeholder consultation.</li> </ul>		
<p>9.3.2. Where a specific High Conservation Value Forest straddles a management unit or is potentially affected by existing or proposed activities outside of the management unit, the applicant demonstrates attempts to coordinate activities with adjacent manager(s) and land users to maintain or enhance the applicable conservation attributes.</p>	NA	
<p>9.3.3. The applicant demonstrates that the management strategies and measures selected to maintain or restore High Conservation Values are consistent with a precautionary approach, and with respect to each conservation attribute:</p> <ul style="list-style-type: none"> <li>• Will create conditions with a very high</li> </ul>	C	<p>The precautionary approach to protecting the identified HCV's is clearly demonstrated in the HCV document and the implementation of the HCV protections in the forest operations.</p>

probability of securing the long-term maintenance or the restoration of the applicable conservation attribute; <ul style="list-style-type: none"> <li>• Are being implemented; and,</li> <li>• Are proving effective (or are adapted as required) based on the results of monitoring.</li> </ul>		
<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>		
9.4.1 The applicant sets up and implements, or participates in, a program to monitor the status of the applicable HCVs, including the effectiveness of the measures employed for their maintenance or restoration. The monitoring program is designed and implemented consistent with the requirements of Principle 8.		
9.4.2 The monitoring program is capable of alerting the applicant to changes in the status of a conservation attribute, and determining if the conservation measures are effective in maintaining or restoring the conservation attribute. The results of monitoring are assessed consistent with the monitoring requirements of Indicator 8.1.1.		
9.4.3 When monitoring results indicate increasing risk to a specific conservation attribute, the applicant re-evaluates the measures taken to maintain or enhance that attribute, and adjusts the management measures to reverse the trend.		

### 3.2 Stakeholder Comment

Many stakeholders were included as part of the field audit and were interviewed extensively by audit team members during the field audit process. Other stakeholders were contacted via email or telephone during or after the field audit. The FSC accreditation field audit team also contacted stakeholders as part of their audit process. The list of their contacts is also included in the stakeholder contact listing. Additionally stakeholders were contacted by email by the audit team to solicit additional remarks. No comments were received as a result of the email contacts. The individuals in the following table were contacted directly during the course of the audit.

<b>Name &amp; Affiliation</b>	<b>Address</b>	<b>Phone/Fax/Email</b>	<b>Comments</b>
Dave Joannis District Aboriginal Working Group	Box 770 Mattawa, ON POH 1V0	705-744-5895 Matawasibi@aol.com	Contacted by email and did not respond
Jack Restoule District Aboriginal Working Group	Dokis First Nation Dokis Reserve	705-763-2200 Yukon@onlink.net	Contacted by email and did not respond

	Box 62 Monetville, ON POM 2K0		
Brennain Lloyd Northwatch	Box 282 North Bay, ON P1B 8H2	705-497-0373 <a href="mailto:northwatch@onlink.net">northwatch@onlink.net</a>	Contacted by email and responded without comments. Contacted by telephone and left messages, unable to talk directly. Contacted by FSC Accreditation Team but no response
Elwynn Behnke Independent logger	RR #6 Pembroke, ON KBA 6W7	613-687-0727 <a href="mailto:behnkelog@on.aibn.com">behnkelog@on.aibn.com</a>	Contacted by email and did not respond
Blayne Behnke Independent logger	RR #6 Pembroke, ON KBA 6W7	613-687-0727 <a href="mailto:behnkelog@on.aibn.com">behnkelog@on.aibn.com</a>	Contacted by email and did not respond
Lorie Reed LCC member	117 Hart Road, RR1 Callander, ON POH 1H0		Participated in field audit. Main comments were related to herbicide use, pine restoration and old growth. Appointed to FMP group to represent LCC
Frank Tagiamonte Prospector/miner	29 Beaver Crescent North Bay, ON P1A 3N1	705-476-2985 <a href="mailto:geotag@vianet.ca">geotag@vianet.ca</a>	Contacted by email and responded by letter. Indicated that there were ample opportunities for input provided and that responsiveness was generally good. Emphasized that access and security of titles were important issues to the mineral sector.
Andy Straughan Silvicultural contractor	Lindsay's Hill Rd Trout Creek, ON POH 2L0	705-723-1108 <a href="mailto:lonogwoodforestry@hotmail.com">lonogwoodforestry@hotmail.com</a>	Contacted by email and did not respond
Albert Cloet LCC member	52 Beaverland Rd, Marten River, ON POH 1T0	705-892-2224 <a href="mailto:acloet@xplornet.com">acloet@xplornet.com</a>	Contacted by email and did not respond Contacted by FSC Accreditation Team
Todd Eastman Tourist Representative		705-472-5552 todd@noto.net	Contacted by email and did not respond Contacted by FSC Accreditation Team but no response
Dave Minden Co-chair LCC	RR#1, Box 180 Astorville, ON POH 1B0	705-752—3583 <a href="mailto:mindenda@onlink.net">mindenda@onlink.net</a>	Participated in field audit. Main concerns expressed were noise from logging and ATV access issues. Represents cottagers. Very positive working relationship with NFRM.
Randy Morrison Nipissing Area Supervisor MNR		705-475-5580	Participated in field audit. Very positive comments about working relationship between MNR and NFRM.
Joel Girard Resource Management Technician MNR		705-475-5541	Participated in field audit. Very positive comments about working relationship between MNR and NFRM.
Randy McLaren Forestry Tech		705-475-5606	Participated in field audit. Very positive comments about working relationship

Specialist MNR			between MNR and NFRM.
Guyline Thauvette Forester MNR		705-475-5539	Participated in field audit. Very positive comments about working relationship between MNR and NFRM. Discussed development of co-generation plant in area with her. Very positive about chances although it may take a few years.
Marinus Verwey Resource Management Technician MNR		705-475-5614	Participated in field audit. Very positive comments about working relationship between MNR and NFRM. Liked the old method of CMU versus the current SFL operations.
Nicole Seguin Operations Supervisor Goulard Lumber			Participated in field audit. Very positive comments about working relationship between MNR and NFRM.
Raul Guddert Sprayer Operator Wilderness Group			Interviewed on job site during audit stop. Indicated lack of training on herbicides and working 7 days per week more than 10 hours per day.
Alex Nebesney Mixer and 2 <sup>nd</sup> Supervisor Wilderness Group			Interviewed on job site during audit stop. Handled weather and checked on spray operators, mixed chemical and measured usage.
Pierre Ethier Log Truck Drive Goulard Lumber			Interviewed on job site during audit stop. Reviewed Bill of Lading, licenses, safety equipment and working conditions. All positive and part of COC review.
John Mathews Trapper			Contacted by FSC Accreditation Team.
Dave Pearce Wildlands League			Contacted by FSC Accreditation Team
Tony Iacobelli World Wildlife Foundation			Contacted by FSC Accreditation Team but no response

NFRM has not received any stakeholder complaints or disputes since the previous evaluation, and stakeholder consultation by the audit team has not revealed any further stakeholder complaints or disputes.

### 3.3 Controversial Issues

No notably controversial or difficult issues presented themselves during this surveillance audit.

### 3.4 Changes in Certificate Scope

There were no changes in the scope of this certificate during the previous year. There was discussion about the amalgamation of the Nipissing Forest and the Temagami Forest. According to correspondence with the Ministry of Natural Resources in November 2006, discussion has now been put on hold until after the 2009 FMP for the Nipissing Forest is completed. At that

time there may be a re-examination of the potential for amalgamation of the Nipissing Forest with the Tamagami CMU with the Sudbury Forest.