

FSC Certification Report for:

The NIPISSING FOREST

Under the Sustainable Forest Licence of:

NIPISSING FOREST RESOURCE MANAGEMENT

Certificate Number: SCS-FM/COC-00055N

SCS Forest Conservation Program
(An FSC-Accredited Certification Program)

Date of Field Audit: **June 16 – 20, 2008**
Date of Report: **July 10, 2008**, (Finalized: Sept 10, 2008)

Previous FSC Certification: May, 2003 – May, 2008

Lead Auditor: Walter Mark

Scientific Certification Systems
2200 Powell Street, Suite 725
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SCS Contact: Dave Wager, dwager@scscertified.com
Client Contact: Peter Street, pstreet@nipissingforest.com

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the SCS website (www.scs-certified.com) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of the Nipissing Forest.

Foreword

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Nipissing Forest Resource Management Inc. (NFRM) to conduct a certification evaluation of its Nipissing Forest. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In June 2008, an interdisciplinary team of natural resource specialists was selected by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 5 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Nipissing Forest Resource Management Inc. for the management of its Nipissing Forest. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com) no later than 60 days after the report is finalized.

1.0 GENERAL INFORMATION

1.1 CONTACT INFORMATION

NIPISSING FOREST RESOURCE MANAGEMENT INC.
P.O. Box 179
128 Lansdowne Avenue East
Callandar, Ontario P0H 1H0

Telephone: (707) 752-5430
Fax: (707) 752-5736

Contact: Peter Street; General Manager
Email: pstreet@nipissingforest.com
Web page: <http://www.nipissingforest.com/>

1.1.1 FSC DATA REQUEST

Name and contact information for the certified operation:

- Source name: Nipissing Forest
- Contact person: Peter Street, General Manager
- Address: P.O. Box 179, 128 Lansdowne Avenue East, Callandar, Ontario P0H 1H0
- Telephone: 1-705-752-5430
- Fax: 1-705-752-5736
- E-mail: pstreet.nfrm@onlink.net
- Number of Acres/hectares certified: 1,147,501 hectares
- Nearest Town: North Bay, Ontario
- Biome: Temperate Mixed
- Tenure: Public (Crown) forest under provincial licence to Nipissing Forest Resource Management Inc.
- Forest Composition: Mixed conifer/hardwood
- Managed as: Natural Forest

1.2 General Background- Management Systems, Land Use, Monitoring System

This report covers the first five-year recertification 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 recertification audits as well as the terms of the forest management certificate and chain of custody 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 and recertification every five years ascertaining ongoing compliance with the requirements and standards of certification.

The Nipissing Forest extends over 11,932 square kilometres and has a permanent population of approximately 86,000. The city of North Bay has a population of 53,000 and is a supply and communications centre for much of North-eastern Ontario. North Bay is a focal point for a ring of smaller, nearby communities. The Nipissing Forest is composed of 80 full townships and portions of four other townships. It is bounded on the north by the Temagami Crown Management Unit; by Sudbury District on the west; by Parry Sound District and Algonquin Park to the south; and by Pembroke District and the Ottawa River to the east. The Ottawa River stretches the full length of the eastern boundary of the forest.

Private land comprises 23 percent of the total area of the Nipissing Forest and is concentrated in the southern and central-western part of the area. Its contribution to the overall wood supply in the management unit is minimal. The forest in the eastern part of the management unit was cleared in the past for agricultural activities; that has resulted in hundreds of hectares of idle marginal agricultural land that could make a significant contribution to the district's future wood supply with proper management.

There are 18 existing or soon-to-be-regulated provincial parks, either partly or entirely, within the boundaries of the Nipissing Forest. The parks are: Amable du Fond, Alexander Lake Forest, Chiniguchi, French River, Jocko River, Kenny Forest, Manitou Islands, Marten River, Mashkinonje, Mattawa River, Ottawa River, Restoule, Samuel de Champlain, South Bay, Sturgeon River, Temagami River, West Sandy Island, and Widdifield Forest. There are 21 conservation reserves, either partly or entirely, within the Nipissing Forest.

Two First Nations, Dokis and Nipissing are situated in the western and central parts of the forest respectively. Two other aboriginal communities, the Mattawa-North Bay Algonquins and the Antoine First Nation, are located in the Mattawa area. The Temagami First Nation is located north of the Nipissing Forest, but use parts of the Nipissing Forest for traditional uses. The provincial government has no land use jurisdiction on the Indian Reserves, but timber extraction is an important activity on these lands and many band members are involved in timber management on the adjacent Crown lands.

The Nipissing Forest is in the Great Lakes-St. Lawrence (GLSL) forest region, which is a transitional forest region between the Hardwood Forest Region to the south and the Boreal Forest Region to the north. The boreal forest, covers much of northern Canada, extending from the Yukon to Labrador, and is characterized by conifers, such as black and white spruce, jack pine, and balsam fir, and shade-intolerant hardwoods, such as trembling aspen and white birch. The GLSL forest extends across central Ontario and southern Quebec. The growing season is longer and the climate milder in the GLSL forest, so it has a greater diversity of tree species. Deciduous species include sugar maple, yellow birch, as red oak, red maple and largetooth aspen. Conifer species include red and white pine, hemlock, and white cedar. The transition zone between the two forest regions is characterized by a mix of the species common to each zone. In the northern portion of the Nipissing Forest, the boreal elements are more common, with boreal conifer species and intolerant hardwoods more common than in the south. In the southern and central portion of the forest tolerant hardwoods are more common. Red and white pine forests are spread across the forest.

Like most Ontario forests, the Nipissing Forest supports a variety of wildlife species. As with the tree species, the diversity of wildlife in the Forest reflects the fact that it is in a transition forest and species from both regions are present. Moose, a common boreal ungulate, are found throughout the Forest, except in the heavily populated or agricultural areas. White-tailed deer, generally a GLSL species, are found primarily in the southern portion of the Forest. The Loring deer yard, located in the southern portion of the Forest, is one of the province's most important deer wintering areas. The 2004 FMP notes that the sole endangered species to be found on the Nipissing Forest is the bald eagle.

Information about historic condition on the Nipissing Forest is available from Ontario Land Surveyor (OLS) records. In the late 1800's and early 1900's surveyors established township lines and other legal boundaries as part of the settlement process. Surveyors followed pre-determined bearings through the forest, marking township boundaries, road allowances and lot corners. When doing this, they recorded information on land type, landform, soil productivity, and forest cover. Detailed descriptions of forest cover included species (in order of abundance), relative ages, health and diameter at breast height of the trees they encountered. This 1890 (circa) forest condition is the basis of comparison to the present forest condition. The current forest condition and species composition is shown in Figure FMP 2.4 below.

Figure FMP 2.4 Working Group Summary

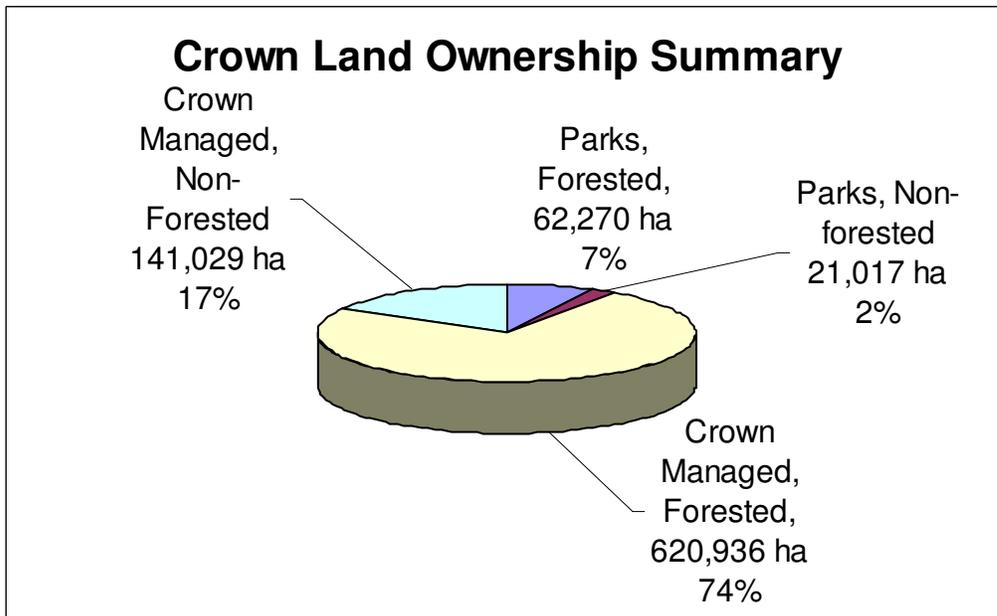
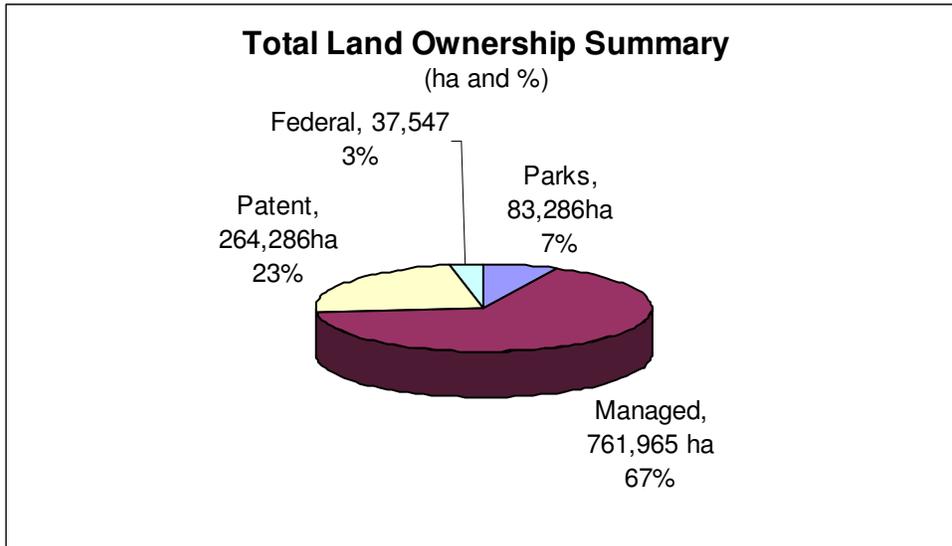
Crown Managed			Parks and Protected Areas		
Working	Productive Forest		Working	Productive Forest	
Group	ha	%	Group	ha	%
Hard Maple	103,856	19%	Poplar	10,282	19%
Poplar	98,218	18%	White Pine	8,582	16%
White Birch	75,426	14%	Hard Maple	7,872	15%
White Pine	61,832	11%	White Birch	7,702	14%
Black Spruce	49,584	9%	Black Spruce	3,798	7%
Cedar	25,751	5%	Jack Pine	3,308	6%
Soft Maple	25,042	5%	Soft Maple	2,199	4%
Balsam Fir	20,942	4%	Cedar	2,157	4%
Jack Pine	20,522	4%	Yellow Birch	1,633	3%
Yellow Birch	20,283	4%	Hemlock	1,327	2%
Red Pine	15,766	3%	Red Pine	1,062	2%
Hemlock	11,012	2%	Balsam Fir	1,045	2%
White Spruce	9,210	2%	White Spruce	836	2%
Oak	3,890	1%	Larch	683	1%

Spruce (mixed)	3,035	1%	Oak	617	1%
Maple (mixed)	2,166	0%	Ash	226	0%
Larch	1,492	0%	Spruce (mixed)	84	0%
Ash	1,080	0%	Maple (mixed)	122	0%
Other Hwd	200	0%	Other Hwd	10	0%
Scots Pine	13	0%			
Total	549,320	100%	Total	53,544	100%

Population increases since the 1800's, timber harvesting and fire suppression have changed the composition of the Nipissing Forest. Before human intervention, it is estimated that there were natural fire intervals, for stand replacing fire, of about 75 years in most stands in the Great Lakes-St. Lawrence Forest Region. This interval has now grown to nearly 600 years due to the advent of modern fire suppression programs (source: 1994-1999 North Bay FMP). Planned harvests show movement towards emulation of natural disturbance frequency by size class through the application of the Natural Disturbance Pattern Emulation Guide (NDPEG). Pre- and post-fire suppression records are used to guide size of harvest area, in an effort to make the future forest disturbance sizes look more like they did in the past.

The Nipissing Forest is just over one million hectares including forested area, water and other non-forested areas. Crown managed land accounts for 67% of the total management unit is; 23% is patent land; 7% is in parks and other protected areas; and 3% is under federal jurisdiction. There are 845,251 ha of Crown managed area, including land and water; of this 10% (83,286 ha) is in parks, protected areas and conservation reserves and 761,965 ha is Crown managed area. Overall, 48% (549,320 ha) of the Nipissing Forest is classified as Crown productive forest, available for timber production, with the remaining 52% consisting of other land types (water, non-forested land, patent, federal, Crown parks and non-productive Crown forest). (Source 2004 FMP)

Figure FMP 2.3 Land Ownership Summary



Prior to 1996, the Forest was managed by the MNR on behalf of the Crown. In 1996 Nipissing Forest Resource Management Inc. (NFRM) was awarded a Sustainable Forest Licence (SFL) to manage the Forest. The Forest is now managed by NFRM on behalf of its shareholders. NFRM is owned by a group of shareholders which are: R. Fryer Forest Products Ltd., Goulard Lumber (1971) Limited, Tembec Industries Inc. (Mattawa Division), Hec Clouthier and Sons Inc., and Grant Forest Products Inc. (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 10 independent operators that

have overlapping licence agreements with NFRM (four of which are First Nation or Aboriginal Communities). These include Behnke Farms Inc., Dokis Bay Indian Corporation, Bruno Quenneville, Gerard Liard, Emile Janveaux Forest Products Ltd., Lucien Groulx & Son Planing and Saw Mill Ltd., Madadjiwan E.D. Corporation, Nbisiing Forestry Inc., Antoine Algonquin Community Services Corporation, and Scott Gray.

Pursuant to FSC and SCS guidelines, recertification audits require a comprehensive examination of the full scope of the certified forest operations.

At the time of the June 2008 recertification audit, there were eight open Corrective Action Requests and 2 open Recommendations, the status of NFRM's response to which was in part the focus of the recertification audit (see discussion, below, for a listing of those Recommendations and their disposition as a result of this recertification audit).

1.3 Management Objectives

The management plan provides objectives related to a number of areas.

Forest Diversity Objectives - composition, age class structure and old growth.

- Move towards a species composition distribution more similar to that at the time of pre-logging and pre-fire suppression (all Crown forest).
- Move towards a forest with a more even amount of area in each age class, with relatively less area in the older age classes.
- Double the amount of area in the old growth age classes in each forest uni. This objective is for the entire Crown forest and the intent is to meet the objective as soon as possible, without exerting undue hardship on the forest industry. The stand level objective is to retain old growth features in stands when conducting harvesting operations.

Social and Economic Objectives

The intent stated in the forest management plan is to ensure economic viability for NFRM Inc. and its Licensees, while also providing for a wide range of sustainable benefits for others who use the forest for social, economic or cultural reasons.

- Provide a sustainable, continuous and predictable wood supply from the forest that will meet, as closely as possible and for as long as possible, the current recognized industrial demand of the forest.
- First Nations and Aboriginal Communities will be involved in forest management and benefit economically through partnerships, employment opportunities and new business relationships.
- Respect the presence of resource-based tourism on the Nipissing Forest.
- Respect the presence of other commercial businesses on the Nipissing Forest.

- Protect cultural and spiritual values, and high potential cultural heritage values, in the Nipissing Forest that are identified in the values mapping system.
- Minimize the potential impact of forest operations on recreation areas that are identified on the values map.

Vulnerable, Threatened and Endangered species

All management plans in Ontario must provide protection for values which are dependant on forest cover, such as wildlife and water quality or fish habitat values.

- Maintain habitat and protect critical sites for any vulnerable, threatened, endangered or species of special consideration known to occur on the Nipissing Forest.
- Conduct required fish and wildlife surveys in support of the 2004 Forest Management Plan.
- Maintain the quality and quantity of moose habitat over the five-year term of the plan.
- Maintain the habitat, especially the quality and quantity of winter cover, for deer in the Loring Deer Yard
- Provide for habitat for species that benefit from shoreline disturbance, such as beaver and mink.
- Protect water quality and fish habitat within watercourses and waterbodies affected by forest management.

Silviculture Objectives

An overall objective is to deliver an effective silviculture program that will result in a continuous yield of forest crops of the species, quantity, and quality required by the wood-using industries for which the Nipissing Forest is a source of supply.

- Ensure silvicultural activities create the desired future forest condition. The desired condition is made up of the forest tree species and age classes as described in the forest diversity objectives.
- Conduct enhanced forest management activities on the Nipissing Forest.
- Develop a comprehensive silviculture effectiveness monitoring program.

1.4 Silviculture

Silviculture prescriptions show the planned silvicultural treatments for each forest unit. Forest units are treated with different intensities depending on the objective for each particular site. The general prescription guidelines are included in Table 11 in the FMP (Figure 11. Planned Silvicultural Treatments for Each Forest Unit). Silvicultural systems in use include: clearcut, seedtree, shelterwood and selection.

1.5 Land Outside Scope of Certification

All of the lands in the Nipissing Forest are included in the certification.

1.6 Pesticide Use

The only pesticide use on the forest for the past five years has been herbicide use and that has been only glyphosate. The herbicide use is generally for two purposes. The first is to enhance vegetation types that are underrepresented when compared to the historical context on the forest. These include white pine, red pine, and red oak. Table 1.4.1 shows the use herbicides for this purpose over the past five years. The large increase in 2007 is due to the blowdown events that occurred in pine types in 2006 and 2007.

TABLE 1.6.1 Application of herbicide intended to enhance or maintain white pine, red pine, or red oak

Year	Total Area (ha)	Total Pesticide (kg)
2003	453.5	754.9
2004	42.9	82.3
2005	118.5	199.3
2006	666	1147.5
2007	1581.5	2539.7
TOTAL	2862.4	4723.7
AVERAGE	572.5	944.7

The other use of herbicides is to control competing vegetation in other situations that do not involve enhancement of white pine, red pine, or red oak. Most of this is in treatment of jack pine harvest areas. Table 1.4.2 shows the use of herbicides for the past five years for this purpose. Once again there is an increase shown in 2007 due to the blowdown salvage operations.

TABLE 1.6.2 Application of herbicide to control competition other than for white pine, red pine, or red oak

Year	Total Area (ha)	Total Pesticide (kg)
2003	47.2	24.3
2004	50.7	77.4
2005	20.2	36.7
2006	94.7	152.0
2007	170.2	313.4
TOTAL	383.0	603.8
AVERAGE	76.6	120.8

1.7 Guidelines/Standards Employed

This recertification audit utilized the Great Lakes/Saint Lawrence (GLSL) Interim Standard Version 2.0 June 2008 by Scientific Certification Systems. The scope of this standard

includes both natural and plantation forests. This standard fully incorporates the indicators of the FSC Canada GLSL Field-Tested Draft Standard (April 2007). Once the FSC Canada GLSL Standard has been officially accredited by the FSC for use in the GLSL region, all further evaluations will be done against said standard. This standard complies with all applicable FSC International policies, standards, and advice notes. 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 on previous audits to evaluate the management of the Nipissing Forest. The 2008 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).

1.8 Chain of Custody Certification

During the 2008 recertification audit, SCS conducted a joint forest management and chain of custody certification evaluation of the Nipissing Forest. The chain of custody scope of the Nipissing COC Certificate 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 shareholders 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. The loader of the trucks maintains the original blue copy of the tickets. The three remaining 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 mill yard gate at the mill.

Two loaded trucks were stopped as part of this audit. The first was at Goulard harvest operation (Block 102) and the driver Rock Goulet (owner and operator) 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 (18-06-2008), the township of origin, the block number (Block 102 in this case), the species, and the MNR Approval Number for the load, in this case 906545. Each copy of the BOL also included a stamp with the following information: "Nipissing Forest FSC-SCS-FM/COC-00055N. There were the expected three copies of the BOL on board the truck. There were identifying marks painted on one logs from each section of the load, which was utilized at the mill yard to determine the appropriate drop area for the load. The second interview was with Martin Lemelin at Janveaux Block 85. The BOL (#1140449) included all the required information.

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 “stump” to “mill yard gate” should be retained.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

Since the 2007 annual audit, there were audit activities undertaken on the following dates:

- On January 22, 2008 discussions started on possible dates and audit team members for the 2008 recertification audit.
- On April 24, 2008 Peter Street agrees to audit team composition and Peter Street and the audit team agree to dates of the 2008 recertification audit for NFRM. The audit team composition consisting of Walter Mark, Central Coast Forestry, Grover Beach, California, USA as lead auditor along with Peter Higgelke and Terry Dawyd of KBM Forestry Consultants Inc., Thunder Bay, Ontario, Canada.
- On May 19, 2008 the notice of the upcoming audit was sent to stakeholders by SCS and forwarded to others by Peter Street of NFRM.
- On June 5, 2008 Peter Street of NFRM provides audit team members Walter Mark and Peter Higgelke with a summary of actions for the past year.
- On June 6, 2008 Peter Street of NFRM provides audit team members with an update on evidence for the past year, new policies and new approval documents for planning and timber harvest available at the following FTP site: <ftp://24.109.92.119/>.
- On June 10, 2008 a conference call was held to finalize the agenda for the annual audit with Peter Street, Peter Higgelke and Walter Mark.
- On June 16 – 20, 2008, an SCS audit team (Mark, Higgelke, and Dawyd) conducted the recertification audit of NFRM, including on-site inspections of field operations as well as extensive interviews with NFRM management, field personnel, stakeholders, agency personnel, and contractors.

2.2 Assessment Personnel

For this Recertification audit, the team included Dr. Walter R. Mark, Peter Higgelke, and Terri Dawyd. Dr. Mark 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 four annual audits. Dr. Mark has participated as a member of the audit team for the past four annual audits on the Nipissing Forest. Terri Dawyd was participating in her first FSC audit.

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 public and private 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.

Terri Dawyd: Consulting Forester, KBM Forestry Consultants Inc. (Ontario). Ms. Dawyd specializes in independent forest audits, Aboriginal issues in forestry and other natural resources, and public involvement in forest management on public lands. She also provides valuable support in proposal development, and project execution. In her involvement with the independent forest audit process in Ontario, Ms. Dawyd has been responsible for assessing various audit components including commitment, public consultation, First Nation consultation, system support and elements of forest management planning. She has also played an important role in managing audit logistics including information dissemination, accurate record maintenance and report editing. Ms. Dawyd is of Ojibway decent and a registered member of the Wikwemikong Unceded Indian Reserve located on Manitoulin Island in central Ontario and has worked with Aboriginal organizations in Northwestern Ontario on various forestry projects.

2.3 Assessment Process

The scope of the 2008 recertification audit, as with all recertification 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 Recertification Audit was conducted starting on Monday, June 16, 2008 and concluding on Friday, June 20, 2008. 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 CARs and 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 season has been impacted by the salvage operations resulting from the July 17, 2006 storm related blowdown, another smaller blowdown event in 2007 and a continuing spruce budworm outbreak. For the current audit, field sites were selected that provided wide coverage of the base of the land in the Nipissing Forest.

Day One – Monday June 16, 2008

The audit started off with a breakfast meeting of the audit team members, Walter Mark, Peter Higgelke, and Terry Dawyd and the general manager of NFRM, Peter Street, Tom MacClean, silviculture forester and Michele Laliberte, forest technician both from NFRM. The general background, purpose and objectives of the recertification audit were discussed; the documentation provided and still needed was discussed, along with items to be specifically visited in the field audit.

Table 2.3.1.a: Day One AM Itinerary

Activities	Licensee/Contractor	Comments
Met with NFRM general manager, Peter Street, NFRM Staff, at NFRM Office in Callandar	NA	Opening session of audit with introductions and background information including purpose and objectives. Review open CARs and Recommendations. Review documentation provided as evidence of action on CARs and Recommendations. Reviewed the version 2.0 of the GLSL standards to be utilized in the audit. Reviewed field audit schedule and participation.

Discussion of the use of the Version 2.0 June 2008 draft of the Great Lakes Saint Lawrence (GLSL) took place, with emphasis on some of the changes that are included in version 2.0 of the standards. 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 NFRM budget and staffing, operators and shareholders were held. The shareholder list was provided to the audit team. The general organizational structure and operations of crown SFLs 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 and other products, mill closures, the increase in non-compliances, access issues on the forest and the nature of the forest holdings and the general population within the forest boundaries. The schedule for the next four days and the field sites to be visited was reviewed and updated from the preliminary itinerary to eliminate some areas where operations had not yet started. Specific discussion on Standard 6.4 the Gap Analysis, aggregate pit monitoring, and activities in the area of silvicultural effectiveness monitoring and regeneration surveys took place and actions were

reviewed. The CARs and Recommendations that remain open from previous audits were reviewed and the lines of evidence provided were reviewed for completeness.

After lunch with several of the NFRM staff and the audit team, the audit team members (Peter Higgelke and Walter Mark) along with NFRM manager Peter Street departed from the NFRM offices for the first day of field site visits of the Nipissing Forest.

Table 2.3.1.b: Day One PM Itinerary

Activities	Licensee/Operator	Comments
<p>Stop 1 Restoule road use area, TEMBEC Blocks 51, 52, and 53. This is a very controversial proposed area of activity included in the 2009 FMP for the Nipissing Forest.</p>	<p>TEMBEC</p>	<p>The new draft 2009 FMP includes harvest activity in the Restoule area of the Nipissing Forest. Harvest activities have not taken place in this portion of the forest for approximately 25 years, since the closure of the mill on Odirizzi Road. The road utilized to deliver logs to this mill crosses private land the current landowners have denied access on this road. There are several alternatives under consideration for access to the blocks. One of these would utilize existing public roads and cross a one-lane bridge in the area of Restoule. This has raised many concerns with the local community. A public information gathering was held to discuss the options and over 100 individuals from the Restoule area attended to listen to the presentation and to provide their input. The final resolution of the access to the blocks is still pending.</p>

Day Two – Tuesday, June 17, 2008

Tuesday started with a breakfast meeting with the audit team and Peter Street of NFRM present. The discussion at the breakfast meeting centered on the increase in non-compliance FOIPs during the 2007-08 time period. Most of the increases were from two sources, TEMBEC and Behnke Farms Inc. Many of the increases were from authorizations for

transportation of wood from the woods to mills. Included in these were expired haul authorizations, mixed species loads where one species was specified and hauling to destinations not authorized.

The Tuesday 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 (Walter Mark, Peter Higgelke, and Terry Dawyd); Claude Goulard and Nicole Seguin of Goulard Lumber Ltd.; Clayton Goulais of Nbisiing Forestry Inc.; NFRM staff: Peter Street, Michelle Laliberte, and Tom MacLean.

Table 2.3.1.c: Day Two Itinerary

Activities	Licensee/Operator	Comments
<p>Stop 23 in documentation binder at Grant Block #36, transferred to Nbisiing Forestry Inc. This block is a winter black spruce harvest.</p>	<p>Nipising Forestry Inc.</p>	<p>This stop consisted of a clearcut in black spruce with NDPEG harvested in the winter of 2008. The harvest was a winter operation and some blowdown from the 2006 and 2007 storms was present. A large water crossing installation was examined. This crossing was well installed, but the installation took place prior to a cultural heritage assessment on the site. As soon as this was determined, a contract was set up with Woodland Heritage Services Limited to conduct the assessment. No cultural heritage values were found during the survey. The unit was a winter operation, however, approximately six loads of logs remain in the unit. These will be hauled when the road dries adequately to allow a summer haul.</p>
<p>Stop 26 in documentation binder at Nbisiing Salvage Block #892 and Goulard Block #26</p>	<p>Goulard Lumber Ltd</p>	<p>Block #892 was a budworm salvage operation assigned to Nbisiing and harvested by Goulard Lumber Ltd. The prescription was clearcut with NDPEG. An old garbage dump was uncovered during the road construction along the road. This had been cleaned up some, but</p>

		<p>quite a bit of garbage was still present in the area. This is an MNR responsibility, since they covered up an old cottager landfill at this site in the past. There was extensive rutting discovered during the inspection in different places in the unit, but most extensive around a black ash lowland complex. Better protection could have been afforded this resource through more careful timing or unit layout. Block #26 harvesting by Goulard Lumber was also reviewed at this location. This unit was very well done, with careful skidding and felling to protect the residual stand.</p> <p>CAR 2008.1</p>
<p>Unscheduled stop to meet and talk with Jean and Gerard Liard operating under the Gerard Liard independent operator overlapping licence agreement.</p>	<p>NA</p>	<p>The Gerard Liard overlapping licence agreement includes 0.5% of the allocated cut on the Nipissing Forest. Two brothers Gerard and Jean Liard operate the company and work on both Nipissing Forest and private lands in the area. They perform a complete set of logging operations including road construction, felling and skidding and own their own logging equipment. They contract the trucking and sometimes they have a problem securing trucking due to the small number of loads produced. They normally produce around 200 loads per year. They also operate a commercial firewood business.</p>
<p>Unscheduled stop to meet and talk with Gordon Mitchell. Mr. Mitchell is a local outfitter running a hunting and fishing lodge. He sits on the board of directors of the Northern</p>	<p>NA</p>	<p>Mr. Mitchell signed an RSA with NFRM 4-5 years ago. His operating season is from May through October. Some of his main concerns at the time were road maintenance and impacts on</p>

<p>Ontario Tourist Outfitters (NOTO).</p>		<p>his bear stand locations. He stated he has had no problems with NFRM over conflicts and that they have been very responsive when he has asked questions and made requests. Agreement has been reached on every concern brought forward. Working relationships with NFRM staff (Michele Laliberte) have been good.</p>
<p>Stop 24 in documentation binder at Goulard Block #23 and the Gibbon's access road reconstruction.</p>	<p>Goulard Lumber Ltd.</p>	<p>This was salvage in a spruce budworm damaged stand. The slash was piled and burned following cutting and hauling. NFRM has made substantial improvements in handling of roadside slash over the past few years. Some of the issues in the stand were moose overwintering habitat and a trapper cabin and routes. This unit had very undulating ground and the road location and construction had a major impact on the hydrologic function. Many instances of the road blocking flow and of flow running across the road surface were observed. Road location and construction need to be modified in units like this to retain hydrologic function. Several water crossings were upgraded on the road as part of the reconstruction process. All installations were well done. The site of a large beaver dam infringing on the right of way was visited and discussed. The dam is to be breached and a water crossing installed. CAR 2008.2</p>
<p>Stop 17 in documentation binder at Goulard Block 21.</p>	<p>Goulard Lumber Ltd harvest, Outland tree planting contractor</p>	<p>This site was planted in 2008 by Outland, a silvicultural contractor. The new regeneration assessment</p>

		<p>process was reviewed at this site along with the site preparation and plantings. The site was planted with a mixture of species including black and white spruce and white and jack pine. Site preparation was done with chains to topple existing poplar competition on the site. The toppled poplars had little suckering present. This was a good example of the use of alternative methods to herbicide in site preparation.</p>
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In the evening of day two, two members of the audit team, Terri Dawyd and Walter Mark attended the LCC meeting at the MNR offices in North Bay. The meeting was attended by 9 LCC members and 3 MNR representatives (Dave Minden, Elwyn Behnke, Lorie Reed, John McNutt, Tracy Cain, Jan Vandermeer, Andy Straughau, Lloyd Anderson, and Gail Laird) Also in attendance were NFRM staff Ric Hansel and MNR staff Randy Morrison, Guylaine Thauvette, and Mary Lou McKeen. The main topics of discussion were the Restoule Road access, the AOC proposed in the FMP for cottage lakes, and the 2007-08 FMP amendments filed by NFRM. Good participation was observed by the LCC members. The group discussed the poor attendance of some LCC members, especially the First Nation representatives. The representative from TEMBEC announced that the Mattawa facility would be closing on a temporary basis for an initial period of 10 weeks. A re-evaluation will be made in the first part of July. The shutdown caused the layoff of 52 workers and 5 staff members. The Huntsville mill facility will be cutting back to 1 shift per day; however, the facility is currently closed due to weather limitations on log deliveries.

Day Three – Wednesday, June 18, 2008

On Wednesday the field audit was concentrated on the northeastern portion of the Nipissing Forest. The participants included the audit team (Walter Mark and Peter Higgelke); LLC alternate member, Tracy Cain; NFRM staff: Peter Street, Tom MacLean, Rick Hansel, and Ian Kovacs; TEMBEC Forester, John McNutt.

Table 2.3.1.d: Day Three Itinerary

<p>Stop 10 in documentation binder at Behnke Block 113</p>	<p>Behnke Farms.</p>	<p>The visit at this site started with an inspection of a bridge installation over Fournier Creek. The previous culvert crossing had washed out. The road was upgraded to a secondary access road, which qualified the bridge</p>
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		<p>replacement for funding. The bridge MOU will be transferred from NFRM to the cottages. The installation was done by Bruno Roy – Isidore Roy Lumber. The bridge installation was well done; however, silt containment fencing from the construction activities was left in the stream channel.</p> <p>REC 2008.2</p> <p>The block had a salvage operation in fall 2007 to recover value from the blowdown events of 2006 and 2007. The species harvested were white, red, and jack pine. The site is an excellent pine site and site preparation is scheduled for this summer and planting for August, 2008. The block will be raked and planted. Some of the funding came from the Forestry Futures funds as part of a contract to treat 600 to 700 ha of blowdown sites over three years.</p> <p>Another older MNR crossing was inspected that had recently had a load restriction placed on it. This restricts harvest access and resulted in the inability of salvage of a hardwood blowdown site. The crossing was perched and did represent a fish barrier.</p>
<p>Stop 16 in documentation binder TEMBEC Block 108</p>	<p>Redbridge Forestry</p>	<p>This was a planting inspection on a clearcut with NDPEG following blowdown. The stand had been white pine and poplar. More than half of the block will be moving to white pine uniform shelterwood. Part of the block was jack pine and black spruce. The site is a good site for pine restoration and some planting has taken place with no need for site preparation.</p>

		Planting crews used local outfitter housing during the planting operations.
Stop 12 in documentation binder at Tembec Block 102	TEMBEC	<p>This was harvested in fall 2007 using a white pine shelterwood seeding cut. The prescription called for 50% cover. Discussion on the spacing took place and generally most agreed that a 40% of height spacing might have been better, due to the narrow crowns of the trees. Understory competition of red maple and birch may lead to tending needs in the future.</p> <p>Further along in the unit a hardwood shelterwood area was reviewed. This area had many AOCs and values identified prior to harvest operations and during the marking. These included brook trout lakes, vernal pools, and a spring. The AOC marking around these and the new AOC protection for brook trout lakes were discussed.</p>
Unscheduled stop to meet and talk with Mike and Julie Shepard, outfitter and RSA signatories.	NA	<p>A lengthy discussion took place between the audit team members and the Shepards. They have operated in the area for six years and have many concerns about the impacts of forestry operations on their hunting, fishing and lodge operations. They have been working with industry and NFRM and feel that they have improving relationships with both. Rick Hansel has kept them informed of planned activities and seek their input prior to operations. Their RSA includes features to protect skyline views, road buffers and identification and buffers around other features important to their business.</p>

<p>Stop 15 in documentation binder at TEMBEC Block 105</p>	<p>TEMBEC – Janveaux Forest Products</p>	<p>The activity was a white pine and hardwood shelterwood harvest. There were two non compliances where the cutting boundaries were not observed. One resulted in cutting of trees beyond the marked boundary, but still on Crown lands. The non-compliance reports were filed. A major concern that was dealt with on the operation was the viewshed from the Ottawa River to be sure that there was not a visual impact. The unit has a boundary with the Ottawa River Park. There were other issues in the stand with bear baiting stations and moose habitat. Discussions with logging contractor workers showed that they were in compliance.</p>
<p>Unscheduled stop in TEMBEC Block 102</p>	<p>TEMBEC – Janveaux Forest Products</p>	<p>Loading and hauling operations from this block were checked as part of the chain of custody audit. Rock Goulet an owner operator truck driver was interviewed and the bill of laden documentation was checked. Required papers, safety equipment and licences were present.</p>
<p>Unscheduled stop in TEMBLEC Block 109</p>	<p>Andy Montreuil</p>	<p>Planting and site preparation site where the unit had been clearcut and shelterwood harvested between 2004 and 2006. Blowdown salvage in 2006 delayed the site preparation until 2007. Part of the unit was treated and planted in with 580,000 seedlings planted in the spring and another 2000,000 planted in the fall. The post planting assessment form was reviewed.</p>
<p>Unscheduled stop at water crossing.</p>	<p>TEMBEC</p>	<p>This was a crossing required on McConnell Lakes Road. A beaver moved into the area and plugged the pipe. Water washed across the</p>

		road, MNR provided a new larger culvert and TEMBEC installed the culvert.
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Day Four – Thursday, June 19, 2008

The Thursday portion of the audit was devoted to field audit visits in the eastern portion of the Nipissing Forest with a departure from North Bay at 7:30 am. The audit team split up for the morning with Walter Mark going to the MNR offices in North Bay to meet with various MNR personnel. The field audit for the first two stops of the day included Peter Higgelke of the audit team; NFRM staff: Peter Street, Ian Kovacs, and Tom MacLean; and John McNutt of Tembec. At stop 20, Walter Mark and Megan Smith Project Forester of the Southern Science and Information section of the MNR joined the field audit.

Walter Mark met first with Mary Lou McKeen, Supervisor of Planning and Information Management. The FMP planning process for the 2009 FMP was discussed. The First Nations have a role in the process. There is an Aboriginal Working Group which meets quarterly and more often during the planning process. These are well attended except by the Nipissing representative. Major issues with the First Nations include meeting times, access restrictions, and allocations. Currently the process is in Stage III, public review of operations planning and Aboriginal review of the identification of values. The plan preparation is progressing with a scheduled draft due on July 15 to go to the Nipissing LCC and then to the MNR for a 60-day review period. The process is two to four weeks behind schedule, and the new plan must be in place by April 1, 2009. If the new plan is not approved by April 1, 2009, then operations will cease until the new plan is adopted. Mary Lou indicated that there was a shared vision held by the SFL licensee and the MNR, even though there were differences. The planning process is more challenging with SFLs on the Crown Forests, as opposed to MNR managed Crown Forest Units.

The next meeting was with Kim Groenendyk, District Manager; Randy Morrison, Supervisor of the Nipissing Area; and Randy McLaren, Forestry Tech Specialist. The first topic was the increase in non-compliance issues on the Nipissing Forest. Generally compliance is considered good by the MNR, but there are a couple of operators who do not seem to show as much concern as is needed. The MNR is working with Peter Street and NFRM to get the non-compliances under control. Some progress is being made. The MNR has looked at the staff cutbacks made on the NFRM and plan to issue a comment on the cutbacks to Peter Street. They feel that the cutbacks will not help in the compliance area. A presentation on compliance and non-compliance was made to the LCC. There was a large increase in non-compliances in the 2007-08 year. Part of the increase may have been due to a better understanding of the role of the SFL in reporting non-compliance. The process is undergoing revision and next year the reports from the SFL will either report in compliance or an operating issue, there will be no more in compliance with comments. As a result, there may be another increase in non-compliance for 2009-10. For the spring compliance training for the SFL, Peter Street asked what should be included, the MNR recommended an emphasis on authorization to haul, since many of the non-compliance situations in the past year were for

this. There have been very few on-the-ground silvicultural non-compliance reports, most are due to administrative staff work not being done. For each non-compliance reported there must be a remedy in the form of: a warning, an administrative penalty, an order (stop work, compliance, or repair), or formal charges.

The current market conditions and the stress this is placing on the forest industry in Ontario was discussed. A cooperative spirit will be required by all parties to make sure that the forest resources are protected and that the industry and the SFL survives this market downturn. Many operators are having financial difficulties meeting payments, fuel costs, and payroll. Many mill operations have cutback or ceased operations, on SFL has been returned to the MNR for management.

Table 2.3.1.e: Day Four Itinerary

Activities	Licensee/Operator	Comments
Stop 9 in documentation binder at Behnke Block 185	Behnke Logging and Trucking Limited	A salvage harvest was performed in this block. Due to the history of high non-compliance of Behnke and the number of user groups (residents, cottagers, fish culture station, snow mobilers) interested in the area, considerable supervision and guidance was provided by NFRM staff to Behnke in this block. Strict road use conditions were applied and skid trails and landing were located to minimize impacts on other user groups.
Stop 8 in documentation binder at Janveaus Block 85	Janveaux Forest Products	A harvest operation was in progress during the field audit. The area consisted of several types including hardwood shelterwood, white pine shelterwood and white pine seed tree. Forest operations were being performed in accordance with requirements including utilization, skid trail location and use, and damage to residuals. An aggregate pit was examined and had been properly treated for requirements for temporarily inactive pits.
Stop 20 in documentation binder at the Red Oak Research and Demonstration Area in	NA	Megan Smith presented the research efforts. In 2004 the red oak stands in the area were

Phelps Township		<p>scheduled for harvest. The NFRM staff, Ian Kovacs, realized the special nature of the stand and that there was no oak regeneration present in the stand. The first action was to contract with a feller buncher to remove the understory from the stand. The understory had some planted white pine present. Acorns were collected and about 140,000 were available for planting.</p> <p>Several studies were implemented by a group of participants including MNR, Jiffy Products, Nipissing University.</p> <p>Studies included trials to look at</p> <ul style="list-style-type: none"> - Seed predation - Sprout management - Mixed pine and oak management - Growth and yield of mid-tolerant species - Affect of opening size - Mechanical, herbicide, fire and control for tending effectiveness - Stocking - Shelterwood closure - Acorn holding and germination - Impact of fertilization - Season of planting <p>This research is an important response to inputs on oak management from past FSC audits.</p>
Stop 7 in documentation binder at TEMBEC Block #94	Janveaux Forest Products	This unit was a hardwood uniform shelterwood harvest. There were several problems with access off a main highway. There were gravel pits in the units that had some

		<p>non-compliance issues, including excessive damage to the residual stand, lodged trees, garbage, right of way too wide and two category 14 gravel pits. There were white cedar logs left in the unit due to lack of market. These were scaled and released for fire wood. A broad winged hawk nest was found during the road construction phase and the work was stopped and a seasonal work restriction and AOC were established. Due to the marking and prescription there was much small diameter material in the harvest.</p> <p>REC 2008.3</p>
<p>Stop 6 in documentation binder at TEMBEC Block # 97</p>	<p>Janveaux Forest Products</p>	<p>This unit was a hardwood uniform shelterwood harvest. Natural regeneration was planned for the unit. There were white cedar logs left in the unit and decked along the road, due to lack of market. These were scaled and released for fire wood. Many of the logs appeared to be cull logs and would have been better left in the forest instead of skidding to the landing. There was a temporary crossing that was pulled during the winter. There was debris left in the channel and the banks required stabilization.</p> <p>REC 2008.1 and REC 2008.3</p>

Day Five – Friday, June 20, 2008

The Friday portion of the audit was devoted to field audit visits in the central portion of the Nipissing Forest with a departure from North Bay at 8:00 am. Audit team members Peter Higgelke and Walter Mark; Peter Street and Tom McLean from NFRM were present. Scott Spence of Grant Forest Products and Michele Laliberte from NFRM joined the group at the first stop.

Table 2.3.1.e: Day Five AM Itinerary

Activities	Licensee/Operator	Comments
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<p>Stop 27 in documentation binder at TEMBEC Blocks # 62</p>	<p>Grant Forest Products</p>	<p>This was a clearcut harvest of poplar and conifers with NDPEG. Insular and peninsular patches composition included primarily maple. There were good candidate areas for red pine restoration in areas where poplar was growing on sandy soils. This was a mechanized harvest with full tree skidding. There was new road construction involved to access the white birch stand. At the back of the unit there was a patch of yellow birch that was very wet. This was recognized and the skidding in this area was delayed. The harvesting was very well done and Scott Spence of Grant Forest Products accompanied the field audit team for this unit.</p> <p>There have been a number of issues in the harvest block. These include: an oil spill from equipment parked over the winter, a Category 14 gravel pit too close to a cut boundary (which was actually a peninsular patch), cutting of uncut maple trees, mixing of maple logs into logs of white birch. The amount of maple in the loads and decks was very minimal. The provincial log scaler was brought to the site to scale the maple logs and he indicated there was too little to bother with scaling.</p>
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This concluded the field visit portion of the annual audit.

The team met to work on the findings to present at the exit meeting for the rest of the day until the 3 pm exit meeting.

An exit meeting was held at the NFRM Offices on Friday afternoon. At that time the preliminary results of the annual audit and the resulting draft CAR's and Recommendations were discussed.

2.4 Total Time Spent on Audit

The Recertification Audit of the NFRM required a total of 21.5 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 - 15 person days
- Consultation with stakeholders – 0.5 person days
- Preparation of Draft Recertification Audit Report – 3 person days
- Review of comments and revision of Recertification Audit Report – 1.0 person days

2.5 Status of Corrective Action Requests and Recommendations

There were seven outstanding CAR's from the 2007 annual audit for the Nipissing Forest.

There were two outstanding Recommendations from the 2006 annual audit.

Auditor Observation/Non-Conformity:
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.
CAR 2007.1:
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.
Reference: FSC 1.1, 4.2, 4.2.1
Status at July 10, 2008:
This CAR is closed as of July 10,2008.

Auditor Observation/Non-Conformity:
During the 2008 audit in the field, contractors equipment was checked and it was determined

that the fuel tanks for refueling equipment did not comply with some provincial regulations (e.g., tanks not parked on areas free of ground vegetation and combustible materials). All tanks observed during the 2008 audit had the proper ULC tags affixed to them. . The requirements for fuel handling were shared with the harvesting companies at the 2008 Spring Compliance Meeting hosted by NFRM. The requirements are also included in all silvicultural contracts. Significant improvement has been made in this area; however, some requirements remain unmet in the field.
CAR 2007.2:
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.
Reference: FSC 1.1, 5.3, 6.7
Status at July 10, 2008:
This minor CAR will remain open and be checked during the 2009 annual audit.

Auditor Observation/Non-Conformity:
Due to the timing of the field audit in 2008, there were no active spray operations on the forest. The application of herbicides is seasonal and only effective at certain times of the year. As a result there was no opportunity available for observation or interviews with contractors performing chemical application. The training and contractual requirements for contractors was reviewed. Under the FSC standards training programs for staff handling chemicals must be provided. No verification of corrective action was possible due to the timing of the audit. To observe active spray operations in the field, future audits will have to be scheduled during late summer or early fall. If future audits are scheduled at a time of the season where chemical applications are not in progress then another form of verification will have to be established.
CAR 2007.3:
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.
Reference: FSC 1.1, 4.2, 4.2.1, 6.7.3
Status at July 10, 2008:
This minor CAR remains open and will be reviewed in the 2009 annual audit.

Company Action/Auditor Observation:
During the course of the field audit, several aggregate pits were examined. This included aggregate pits in Categories 9 and 14, where operations were completed, suspended and active. In all cases, rehabilitation standards had been followed including proper sloping of pit walls and distribution of overburden onto completed pits. Following the 2007 field audit, NFRM provided photo documentation that all aggregate pits observed in non-compliance during the audit were rehabilitated.
CAR 2007.4:
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.

Reference: FSC 1.1, 4.2, 4.2.1

Status at July 10, 2008:

This CAR is closed as of July 10, 2008

Company Action/Auditor Observation:

During the audit in the field, the newly implemented plantation monitoring methods and field plots (TSP) were reviewed and visited. NFRM provided block assessment tables of assessment of tree planting by the planting contractor. The schedule for assessment of regeneration efforts provides for survey of success of plantation establishment and tending needs in years one, two and five.

A review of the SEM system developed and currently used by NFRM that incorporates risk, site, and intensive silviculture into a protocol to develop a system of monitoring took place during the audit. This is work in progress with discussion about ways to improve the process beyond the current status. In addition the NFRM silviculture forester is on the provincial task force for SEM.

CAR 2007.5:

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

Reference: FSC 7.1.5, 8.1.1, 8.1.3

Status at July 10, 2008:

This CAR is closed as of July 10, 2008

Company Action/Auditor Observation:

During the audit in the field, numerous new crossings installations were observed. All new installations observed met the provincial guidelines for water crossing installations.

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 CAR is closed as of July 10, 2008.

Company Action/Auditor Observation:

NFRM provided the herbicide use records for the past five years disaggregated by method of

<p>application and for use in restoration of white pine, red pine and red oak versus use for competing vegetation control in all other uses as requested.</p> <p>The newly implemented Version 2.0 GLSL standard no longer requires a continuous reduction in herbicide use in Criteria 6.6.</p>
<p>CAR 2007.7:</p>
<p>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:</p> <ul style="list-style-type: none"> • Applications intended to enhance or maintain white pine, red pine, and red oak regeneration • Applications associated with competition control in all other circumstances <p>Data must be disaggregated by application method.</p>
<p>Reference: FSC 6.6 and all 6.6.x indicators</p>
<p>Status at July 10, 2008:</p>
<p>This CAR is closed.</p>

<p>Company Action/Auditor Observation:</p>
<p>Evidence was provided to document the dialogue among NFRM, SCS, and FSC Canada regarding this conflict between FSC standards and provincial directives. The resolution of this in included in the GLSL Ver. 2.0 standards, where the reference to “continuous reduction in herbicide use” has been removed.</p>
<p>CAR 2007.8:</p>
<p>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.”</p>
<p>Reference: FSC 1.4, 6.2.2, 6.2.3, 6.6.2, 6.6.3</p>
<p>Status at July 10, 2008:</p>
<p>This CAR is closed as of July 10, 2008</p>

<p>Recommendation 2006.1:</p>
<p>NFRM should work with the MNR to obtain updated FRI information for the forest.</p>
<p>Company Action/Auditor Observation:</p>
<p>The current FRI data is nearly 20 years old. NFRM has worked to update this data set with additional information to provide a better dataset for the 2009 FMP. This updated data set has been certified for the and is therefore determined to be adequate for planning. The amount of updating of the existing old database is admirable and does provide an adequate although not the most 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 efforts badly need an updated FRI data set. The Ministry of Natural Resources has scheduled the Nipissing Forest to be flown for the</p>

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 2009 FMP process. NFRM is planning to ask the MNR to delay the flights so that the FRI data will be updated and current for the 2014 FMP cycle.
Reference: FSC 8.2.4
Status at July 10, 2008:
This recommendation remains open. Good progress has been made and the MNR has stated a target date for FRI updates. Although the CAR is directed at NFRM, responsibility for FRI scheduling and completion lies with the MNR.

Recommendation 2006.2:
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.
Company Action/Auditor Observation:
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. No additional information has been received by NFRM from either the MNR or Ontario Parks on their gap proposals or on the disentanglement process.
Reference: FSC Criterion 6.4
Status at July 10, 2008:
This recommendation remains open until the process of disentanglement and transfer of appropriate identified areas to fill legitimate gaps are completed. Although the CAR is directed at NFRM, cooperation from MNR and Ontario Parks is needed for it to be addressed.

2.6 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 the United States continues to result in poor markets for red and white pine. The large volume of red and white pine that entered the market after the blowdown in July 2006 had an immediate impact to lower the price for quality red and white pine logs and lumber. The market has still not recovered. The housing downturn in the United States has contributed to the softening of the current market. 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 2007 audit and others appear to be having financial problems and may be in danger of closing or reducing shifts. 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 and a wood pellet plant that would provide a market outlet for low quality hardwood materials. If these plants 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 Inc., R. Fryer Forest Products Ltd., Goulard Lumber (1971) Limited, Tembec Industries 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 had some substantial budget cuts since the last annual audit. These cuts have resulted in cuts to its forest technician staff time and a departure from the salary agreement for its professional foresters. 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 and appealed is now settled. The final resolution of this issue about cutting rights was resolved in favor of NFRM.

2.7 New Corrective Action Requests and Recommendations

There were three new minor corrective action requests issued as a result of the 2008 recertification audit.

There were three new recommendations issued as a result of the 2008 recertification audit.

Auditor Observation/Non-Conformity:
<p>The SCS Team observed excessive rutting at one of the stops during the recertification field tour. Additional skid trail location problems were observed on the forest and more guidance by the forestry staff working with the operators should provide substantially better skid trail planning and layout.</p> <p>The audit team was provided with a PowerPoint presentation entitled Careful Logger Training utilized during the compliance training of Spring 2005. The content of this</p>

PowerPoint covered all the applicable planning and layout information. This training program should be repeated.
CAR 2008.1:
NFRM must develop and implement a plan to locate skid trails to minimize rutting potential. Operators need to be educated about skid trail location and rutting to enable determination by the individual of rutting potential and to discuss alternatives with the NFRM forestry staff, such as relocation or halting work on an area until conditions change. A higher standard for rutting in AOC's and those near watercourses, RSA's, cottages, HCVs, and adjacent to parks is required.
Reference: FSC 6.3.10
Status at July 10, 2008:
This is a new minor CAR. This item will be reviewed in the annual audit in 2009.

Auditor Observation/Non-Conformity:
At Goulard Block 23 of the 2004-2009 FMP, a number of instances were reviewed of road construction that had been performed with insufficient regard for drainage, particularly in lowland areas where no obvious water course was visible. Road construction had involved building up the road base with material and, where lowland drainages were present, caused an impediment to natural water flows and flooding on the upslope side of the road. In the opinion of the auditors these situations require remedying.
CAR 2008.2:
By the time of the 2009 annual audit, NFRM must ensure that drainages impediments caused by road development in Goulard Block 23 of the 2004-2009 FMP have been remedied to permit water to flow without encumbrances caused by road development.
Reference: FSC 6.3.6, 6.3.7, 6.3.10 and 6.5.1
Status at July 10, 2008:
This is a new minor CAR and will be reviewed in the 2009 annual audit.

Auditor Observation/Non-Conformity:
During the annual audit in 2007 the audit team recognized that the stakeholder consultative process for HCV's had not been completed. Discussions with NFRM indicated that the first opportunity for this consultation would take place during the 2009 FMP process. Further discussions during the 2008 recertification audit led to the determination that this consultation, including consultation with the First Nations has not taken place.
CAR 2008.3:
HCV Public stakeholder consultation must take place as part of the process for the preparation of the 2009 FMP. First Nations must be consulted in the 2009 FMP process to obtain their input on the inclusion of cultural resources as HCV's.
Reference: FSC 9.2.1

Status at July 10, 2008:
This is a new minor CAR and will be reviewed in the 2009 annual audit.

Company Action/Auditor Observation:
During the field audit portion of the 2008 recertification audit at the stop in Tembec Block # 97 a temporary crossing decommissioning site was visited. The temporary bridge had been removed during the winter. There was netting and straw in the stream channel and there were banks that needed rehabilitation. The site needed remediation work to clean it up and to prevent soil and sediment deposition into the stream.
REC 2008.1:
Water crossing decommissioning which has occurred during the winter period should be inspected after the spring thaw to determine if rehabilitation and clean-up are required. The Tembec crossing removal checklist should be utilized to review the removal during the inspection following the spring thaw.
Reference: FSC 6.3.4, 6.3.5, 6.3.6, 6.3.7, 6.3.10, and 6.5.1
Status at July 10, 2008:
This is a new recommendation and will be reviewed in the 2009 annual audit.

Company Action/Auditor Observation:
During the recertification audit in the field, the new bridge constructed in the Behnke salvage block # 113 was inspected. Silt fencing material utilized during the construction to keep soil and sediment out of the watercourse was left in place in the streambed following completion of the bridge construction.
The FOIP includes a compliance question “Has debris been left in a water body or water course?”
REC 2008.2:
All construction materials introduced into a water crossing which are not part of the installation during the installation of a water crossing should be removed prior to completion of work at the site. No construction materials not intended to remain as part of the installation should be allowed to remain.
Reference: FSC 6.3.4, 6.3.5, 6.3.7, 6.3.10, and 6.5.1
Status at July 10, 2008:
This is a new recommendation and will be reviewed in the 2009 annual audit.

Company Action/Auditor Observation:
During the course of the recertification field audit, several examples of unutilized material were observed. In general this material was made up of logs of species that had little or no market value under current market conditions. Cull logs were also observed which had been skidded to road landings and left in decks at roadside.
REC 2008.3:
Efforts should be made to minimize the number of non-merchantable trees that are felled,

and felled cull logs should be left in the woods, instead of skidding them to the landing.
Reference: FSC 1.1, 4.2, 4.2.1, 5.1.1
Status at July 10, 2008:
This is a recommendation and will be reviewed in the 2009 annual audit.

2.8 General Conclusions of the 2008 Recertification 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 June 2008 Version 2.0 Interim Standards for the Great Lakes and St. Lawrence Region of Ontario, Canada. That is, and while there remain 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.

2.9 Strengths and Weaknesses Relative to FSC Principles

Table 2.9.1, on the following page, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (car) numbers and recommendation (rec) numbers related to each principle.

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ Regulatory compliance of NFRM is very high. The number of compliance orders is generally very low. ▪ Monitoring for timber theft is consistent and thorough. ▪ NFRM staff has an active involvement with FSC Canada. ▪ NFRM has an excellent staff which is committed to good forestry. All staff members exhibit good integrity and dedication to doing a good job 	<ul style="list-style-type: none"> ▪ There are many issues with contractors for shareholders. NFRM does not have direct supervision authority over shareholder contractors and these are the individuals who may cause compliance issues. ▪ There has been an increase in the number of compliance issues in the past year, due largely to the large scale salvage operations and timing of permits. ▪ Some of the NFRM forestry staff is also staff on the Sudbury Forest. This results in a very large commitment. 	<ul style="list-style-type: none"> • CAR 2007.2 • CAR 2007.3 • REC 2008.3
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ The land is all Crown land and tenure thereto has been granted by Ontario to NFRM in the SFL. Therefore, a clear right of tenure exists. SFLs have a term and extensions are linked to the IFS process. ▪ The Nipissing Forest is utilized extensively for many resource benefits by the public. These have been well protected through cottager agreements and RSA's. The forest continues to provide exceptional public use opportunities. ▪ NFRM has done an extraordinary job of planning for the forest. The FMP is currently under revision. This process includes extensive opportunities for public input. 	<ul style="list-style-type: none"> ▪ No weaknesses were observed in this area. 	

P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ NFRM is committed to including First Nations in forest management planning and operations ▪ NFRM also has developed an Agreement of Understanding with the First Nations. Signed agreements are in place with Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations. ▪ Each First Nation has a representative on the 2009 FMP planning team with good participation levels by all but one. ▪ The First Nations are represented on the Board of Directors of the Nipissing Forest. 	<ul style="list-style-type: none"> ▪ No weaknesses were observed in this area. 	
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ There are many opportunities provided to the public for input. The record of extensive public consultation in the planning and implementation of the plans is exemplary. ▪ Through timber, recreation, and habitat the Nipissing Forest is key to many local communities. NFRM has worked very hard to accommodate and compromise to maintain these values for the communities. 	<ul style="list-style-type: none"> ▪ Technician staff time reductions took place this year and forester salaries were reduced from the agreed to levels. This causes some concern on the part of the staff and may negatively impact field operations. ▪ NFRM has signed Resource Stewardship Agreements with 35 tourism outfitters which recognizes and provides for protection of their values on the forest 	<ul style="list-style-type: none"> ▪ CAR 2007.3 ▪ REC 2008.3
P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ NFRM and the various contractors utilized on the Nipissing Forest demonstrate excellent utilization. The recovery of merchantable material was observed to be good. A wide range of products are harvested over a large number of species. ▪ The residual damage from forestry operations was observed to be very low overall. ▪ The sustained yield analysis is very thorough and shows a clear commitment to sustainable forestry practices. 	<ul style="list-style-type: none"> ▪ The current pricing structure for softwoods is not advantageous to good forestry practices and sustainable economic viability. ▪ Pulpwood operations are the most economical at the current time and some species are not desirable for pulping and therefore not completely utilized. ▪ Some cull decks and decks on non-merchantable species were observed during the audit. 	<ul style="list-style-type: none"> ▪ CAR 2007.2 • REC 2008.3

P6: Environmental Impact	<ul style="list-style-type: none"> ▪ NFRM has prepared an excellent FMP and sustainability analysis and is implementing the FMP on the ground. ▪ NFRM has access to good data on VTE species and plans to protect their habitat. ▪ NFRM has an extensive GIS based mapping system. ▪ NFRM has included in the FMP a good plan to increase old-growth white pine and to increase white and red pine overall on the forest. The goal is to return to a historical level of red and white pine. ▪ NFRM provides excellent protection of streams and water bodies and other AOC's in their forestry operations. ▪ Ontario Parks has completed and provided the GAP Analysis for the Nipissing Forest and the adjacent Sudbury Forest. . There is a current proposal from the NFRM and VFM for lands to fill some of the identified gaps. 	<ul style="list-style-type: none"> ▪ In order to complete the gap analysis and land transfer, there is a disentanglement process occurring now with Ontario Parks and MNR working through this effort. Until this is complete the new protected areas cannot be transferred. ▪ Road construction in some forest types has caused impediments to natural drainage functions. 	<ul style="list-style-type: none"> ▪ CAR 2008.1 ▪ CAR 2008.2 ▪ CAR 2007.2 ▪ CAR 2007.3 ▪ REC 2008.1 ▪ REC 2008.2 ▪ REC 2006.2
P7: Management Plan	<ul style="list-style-type: none"> ▪ NFRM has a full suite of planning documents. ▪ FMP process and product are exemplary. ▪ The public and First Nation involvement in the FMP process and continued involvement in the annual operations planning is exemplary. ▪ NFRM hosts contractor training programs for the contractors and operators on the Nipissing Forest. These include sessions on compliance, logging damage, water crossing installation, AOC's, marking, silvicultural effectiveness, regeneration, contractor training requirements, aggregate pit requirements, health and safety requirements for employees, and other topics that change from year-to-year to adjust for the past year's activity and problem areas. 	<ul style="list-style-type: none"> ▪ NFRM needs to implement SOPs for new operations, contractors, and operators to make certain that they are aware of and implement the expectations and legal requirements for forest operations. 	
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Various monitoring occurs through Free-to-Grow surveys, sale administration, and compliance monitoring. ▪ NFRM participates in the development of several sampling initiatives including planting assessments, regeneration assessments and free-to-grow surveys 	<ul style="list-style-type: none"> ▪ The FRI is not up-to-date for the Nipissing forest, although the flights are scheduled. NFRM does update the data through the other partial surveys that are completed annually. 	<ul style="list-style-type: none"> • REC 2006.1

<p>P9: Maintenance of High Conservation Value Forest</p>	<ul style="list-style-type: none"> ▪ NFRM has an excellent HCV Report and plan. ▪ The HCV report is available on the Nipissing Forest website for download. Anyone who has an interest has access to the report through the website at http://www.nipissingforest.com/fsc/fsc.htm. ▪ Old Growth increase planned throughout the time frame of the planning, 160 years. 	<ul style="list-style-type: none"> ▪ Public and expert review of HCV Report and opportunity for presentation of additional HCV is not complete. The LCC is reviewing the plan as part of the update of the Forest Management Plan. The First Nations need to review the HCV Report for completeness and to provide input. ▪ Implementation of the HCV plan is not complete. ▪ Monitoring of the HCV is done as part of the annual operations in areas near HCV attributes. 	<ul style="list-style-type: none"> • CAR 2008.3
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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

As required in a recertification audit, the audit team considered all the existing CAR's and Recommendations as well as covering all indicators included in the Interim GLSL Standards.

**SCS Interim Standard
For Forest Management Certification in the
Great Lakes/Saint Lawrence Region of Ontario
Version 2.0, June 2008**

This standard fully incorporates the indicators of the FSC Canada GLSL Field-Tested Draft Standard (April 2007).

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
P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.		
C1.1 Forest management shall respect all national and local laws and administrative requirements.	C	
<p>1.1.1 The manager, staff and/or contractors understand their obligations regarding forestry, environmental, labour and health and safety regulations 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).</p> <p><i>Means of verification:</i> Staff members display working knowledge of the regulations/legislation and legal responsibilities. System/process whereby staff members are kept abreast of new developments in regulations/legislation and legal responsibilities.</p>	C	<p>NFRM staff showed good understanding of their regulated obligations regarding forestry, environmental, labour and health and safety regulations. Discussions with staff during the field investigations illustrated a comprehensive working knowledge of applicable legislation.</p> <p>As a Sustainable Forest License holder on Crown land in Ontario, NFRM is required to observe a suite of legislation, regulations and guidelines in the preparation of the Forest Management Plan which guides all activities. All field operations performed in accordance with the FMP are subject to mandated inspections by certified compliance inspectors for compliance with applicable legislation and provincial guidelines as well as adherence to the Forest Management Plan and licenses.</p> <p>NFRM holds annual compliance meetings for all operators on the Nipissing Forest. These meetings include a range of topics but typically focus on subject areas where problems exist and new legislative, regulatory and guidelines requirements. These annual compliance meetings are attended by MNR personnel as well.</p>
1.1.2 The manager shall demonstrate that it has a satisfactory record of compliance with legal and administrative regulations regarding forest management	C	Compliance inspections are performed in accordance with compliance plans prepared by the SFL holder, as directed by provincial compliance direction. Inspections are performed at specified times for all field operations with each inspection reported to the MNR. Primary compliance responsibility lies with

<p><i>Means of verification:</i> Record of periodic compliance inspections. Record of corrective actions that have been implemented in the case of any identified non-compliances</p>		<p>NFRM while the MNR performs spots checks and reviews of non-compliances as well as establishing corrective actions.</p> <p>The compliance record on the Nipissing Forest demonstrates a satisfactory level of compliance by the various companies operating on the forest.</p>
<p>C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.</p>	C	
<p>1.2.1 The manager shall pay all applicable and legally prescribed fees, royalties, taxes and other charges are paid by due date.</p> <p><i>Means of verification:</i> Records showing payment of fees and dues, including, GST, municipal taxes, stumpage, land use permit fees, workplace safety insurance board assessments, etc. Documented procedures to ensure payment of applicable stumpage and licence fees by subcontractors supplying certified wood to the manager from the forest management unit.</p>	C	<p>Records were provided by NFRM illustrating payment of provincial (Ontario Ministry of Finance) and federal (Canada Revenue Agency) taxes; WSIB Clearance Certificate demonstrating maintenance of applicable WSIB payments; and, statement from RBC Dexia Investor Services showing that NFRM's Forest Renewal Trust specified minimum balance is being maintained.</p>
<p>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.</p>	C	
<p>1.3.1 The manager shall respect the relevant provisions of all binding international agreements such as CITES, ILO Conventions, and the Convention on Biological Diversity, as listed in Annex X.</p> <p><i>Means of verification:</i> Descriptions of activities carried out by the manager related to international training on international agreements, etc.</p>	C	<p>In Ontario, employers meet all ILO Conventions through compliance with a suite of Federal and provincial statutes including the Employment Equity Act (Canada) and the Labour Relations Act and Occupational Health and Safety Act of Ontario.</p> <p>Where Canada is signatory to international agreements, it generally the requirements of these agreements into legislation. Compliance with International Agreements then is achieved by Canadian corporations through a range of federal and provincial laws.</p>
<p>C1.4. Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and by the involved or affected parties.</p>	C	
<p>1.4.1 Any situations in which the manager's compliance with FSC requirements conflicts with laws and regulations shall be documented and provided to FSC Canada by the manager.</p>	C	<p>NFRM provided evidence of correspondence with FSC Canada illustrating conflicts between FSC requirements and laws and regulations.</p>
<p>1.4.2 The manager should work with the appropriate regulatory bodies and FSC to resolve discrepancies between laws/regulations and FSC Principles and Criteria</p> <p><i>Means of verification:</i> Action plan (e.g. identification of priorities, identification of key players, recommendations to solve conflicts, communications plan)</p>	C	<p>NFRM provided evidence of meeting with FSC Canada to discuss development of an FSC Standard for the Great Lakes St. Lawrence Forest including those sections of the draft standard that conflict and laws and regulations.</p>
<p>C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.</p>	C	
<p>1.5.1 The manager demonstrates that measures are in place to protect the management unit from illegal/unauthorized activities.</p> <p><i>Means of verification:</i> Measures to prevent unauthorized activities (e.g boundary notices, access controls) Procedures for reporting illegal activities. Records of illegal activities (if any).</p>	C	<p>NFRM has two policies specifically aimed at addressing illegal or unauthorized activities on crown land. Policy 2 states "To develop a program with local mills to ensure that illegally harvested wood from Crown land is not accepted and/or processed." Policy 3 states "Nipissing Forest Resource Management Inc. (NFRM) and its Shareholders will immediately report to the local North Bay District MNR any illegal use and other unauthorized activities on the Nipissing Forest as soon as they are discovered."</p> <p>In the past few years there have been some trespasses that have occurred onto</p>

		<p>crown lands. These have been detected mostly from aerial photos or from aerial surveillance. One trespass case led to charges and a fine which was put into the renewal fund for the Nipissing Forest. A letter from the MNR documenting the case was in the evidence examined. Some cases of hauling unscaled logs were found and that situation was rectified and a plan put into place to prevent such hauling in the future. The MNR is to be notified upon any detection of trespass onto crown lands. The annual compliance plans include reports on any trespass off crown lands during operations. The boundaries are gps'd to prevent excursion off crown lands during operations. A buffer of approximately 20 meters is left along the boundary to prevent any mismapping of the actual boundary. No evidence of excursions off crown lands were found.</p>
C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.	C	
1.6.1 The manager shall demonstrate a commitment to comply with these regional standards for the length of the current management plan and has declared its intention to protect and maintain the integrity of the forest in the long term.	C	<p>NFRM participates in FSC Canada meetings and holds discussions with them when necessary to seek advice and resolution on issues and conflicts. The FSC certification is an important aspect of the market for the products off the forest and several operators and shareholders expressed their support for the FSC certification during the stakeholder consultation conducted during the 2008 audit. The FSC logo and the certificate numbers are prominently displayed on the NFRM website (http://www.nipissingforest.com/). The strategic direction in the 2004 FMP identifies FSC requirements that are included in the plan as part of the regular process. The forest has been certified since the issuance of the original certificate in 2003, and this 2008 audit is a recertification audit.</p>
<p>FSC does not require a forest management enterprise to apply to have all of its forest operations certified, nor to agree to a timetable for such evaluation. A manager can further demonstrate a long-term commitment to the FSC Principles and Criteria by demonstrating that all of the forests it manages are certified to FSC's Controlled Wood standard (FSC-STD-30-010). This standard allows forest management enterprises to provide evidence that the wood they supply has been controlled to avoid wood that is illegally harvested, harvested in violation of traditional and civil rights, harvested in forest management units in which high conservation values are threatened by management activities, harvested in areas in which forests are being converted to plantations or non-forest use or harvested from forests in which genetically modified trees are planted. It is the goal of FSC Canada to encourage certificate holders to move towards having all of their holdings FSC certified.</p>		
P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.		
C2.1. Clear evidence of long-term forest use rights to the land (e.g., land title, customary rights, or lease agreements) shall be demonstrated.	C	
2.1.1 The applicant is the owner of the forest under assessment or has the legal right to manage and use its forest resources.	C	<p>Sustainable Forest Licence in place which provides NFRM with the legal capacity to harvest species of forest resources from the Licence Area in the Nipissing Forest, subject to the Crown Forest Sustainability Act and the regulations thereto, and the terms and conditions as listed in the Licence. Harvesting under the SFL only occurs on Crown (public) land.</p>
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.	C	
2.2.1 Customary tenure or resource use rights held by communities are identified and documented,	C	<p>The Ontario Ministry of Natural Resources is the steward of Ontario's provincial parks, forests, fisheries, wildlife, mineral aggregates and Crown lands and waters, including the Nipissing Forest. The 2009 planning inventory used the latest information available from MNR with regards to ownership. Proposed AOC prescriptions for the 2009 FMP document and contain provisions to protect identified values including tourism values, native values, canoe routes, parks, watersheds, recreation trails, etc.. The public has had a chance to review and comment on the latest values maps.</p>
2.2.2 The free and informed consent of communities holding customary tenure or resource rights has been obtained regarding all parts of the management plan that affect their rights and resources.	C	<p>Resource Stewardship Agreements are in place with almost all tourism operators who are located and/or operate on the forest. Locally affected landowners, businesses, communities and First Nations are continually notified of NFRM's operations and planning activities. Shareholders and contractors work with local tourism operators on an <i>as needed</i> basis to maintain access</p>

		roads. Interviews with selected stakeholders did not raise any concerns. One First Nation did express disappointment with the size of their harvest allocation. NFRM views this as a business-to-business issue.
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.	C	
2.3.1 Where there is a dispute over tenure claim and use rights, the applicant is implementing a dispute resolution process that has been mutually agreed to.	C	A dispute resolution processes is identified in the 2004 Forest Management Planning Manual; dispute mechanisms also form part of the overlapping license agreements and the shareholder's agreements. No ongoing disputes over tenure claim and use rights subject to the dispute resolution process.
2.3.2 The manager is not involved in outstanding disputes of substantial magnitude involving a significant number of interests in relation to tenure claims and use rights on the management unit. The magnitude and extent depend on various factors including the following: <ul style="list-style-type: none"> • Whether the dispute involves local rights holders; • Whether the dispute involves legal or customary rights; • The range of issues and/or interests involved; • Whether the potential impacts on the disputant(s) are irreversible or cannot be mitigated; and/or • Whether the dispute involves issues related to meeting the FSC GLSL Regional Standard. 	C	NFRM is not involved in any outstanding disputes of substantial magnitude involving a significant number of interests in relation to tenure claims and use rights on the management unit.
P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.		
Terminology The term "Indigenous Peoples" in this standard means "Aboriginal Peoples" as defined in the Canadian Constitution Act, 1982 to include "Indians, Inuit and Métis". The Supreme Court in Canada has recognized and clarified the application of Aboriginal and Treaty rights in a number of recent landmark decisions (e.g. Sparrow 1990, Delgam'uukw 1997, Powley 2003 and Haida 2004, to name a few). The legal framework related to Aboriginal Peoples in Canada is constantly evolving. Aboriginal rights are collectively held rights, therefore most of the language referring to Indigenous or Aboriginal rights in this standard refers to "Aboriginal Peoples" or communities as a whole, rather than to individuals. "Aboriginal community" refers to any First Nations or Métis community (status or non-status) with a demonstrated traditional connection to the area in question.		
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.	C	
Definition of community forests: A public forest area managed by the community as a working forest for the benefit of the community. Community forests includes such examples as conservation authorities, county forests, municipal forests, MRC forests and les forêts habitées. Industrial licensed forests (SFL, CAAF) or forest partnerships in which control does not rest with the communities are not community forests.		
3.1.1a Applies on public forests -The manager keeps abreast of and is able to demonstrate a good working knowledge of the Aboriginal communities, their legal and customary rights and their interests related to forest lands within the forest management planning area. <i>Means of verification:</i> Documented knowledge of:	C	Interviews were conducted with four of the five First Nations located in and around the forest: Nipissing First Nation, Dokis First Nation, Antoine First Nation, and Temagami First Nation. An interview could not be scheduled with the Mattawa North Bay Algonquins due to scheduling issues. Discussions with four of the five First Nations indicate that NFRM has a good working knowledge of the communities and their issues and that the staff is always helpful. NFRM provided guidance and direction to the communities to help them

<p>the number and demographic profile of distinct Aboriginal communities having or claiming rights and interests within the area; the legal and customary rights of the Aboriginal communities; the political organization and governance structure of each respective Aboriginal community; the traditional use areas or lands within the manager's forest management area asserted by each respective Aboriginal community; the existence, and current status of publicly known negotiations between Government and the Aboriginal communities regarding rights and interests asserted by each respective Aboriginal community in relation to lands and resources; and,</p>		<p>develop the background reports for the planning process which included development of the socio-economic profile and demographic. Each First Nation has a representative on the 2009 FMP planning team with good participation levels by all but one. Discussions with First Nations indicate that both NFRM and the 2009 FMP planning team welcome their input. The First Nations have been involved in identifying their values on the Forest and developing protection measures (AOCs) for those values. NFRM is aware of the ongoing land claim negotiations taking place involving the Algonquins of Ontario (which include Antoine and Mattawa North/Bay Algonquins) and Temagami First Nation.</p>
<p>3.1.1b Applies on Private and Community forests - The manager has a familiarity with available information about Aboriginal communities with traditional rights within the region. <i>Means of verification:</i> Demonstrated knowledge of: The Aboriginal communities with reserves, claims or asserted traditional rights in the region The traditional use areas or lands within the forest management unit.</p>		<p>N/A</p>
<p>3.1.2 On Public forests, the manager applies best efforts and achieves measurable progress towards obtaining agreement from each affected Aboriginal community verifying that their interests and concerns are clearly incorporated into the management plan. Such agreement shall include:</p> <ul style="list-style-type: none"> • A description of the roles and responsibilities of the parties; • The interests of the parties; • A provision indicating that this agreement is not intended to abrogate or derogate from any Aboriginal or Treaty rights held by any party to the agreement; • A description of appropriate decision-making authorities for all parties; • A dispute resolution mechanism; and • Conditions under which consent has been given and under which it might be withdrawn, if any. <p><i>Means of verification:</i> Formal agreement or memorandum of understanding. Indication from each Aboriginal community indicates that it is satisfied that the manager has incorporated their interests and concerns within the management plan.</p> <p><i>In situations where a formal agreement is not concluded, the following means of verification can help to determine the manager efforts toward reaching agreement:</i></p> <p>Evidence that the manager has informed the community in writing of their intentions to seek FSC certification, provided a copy of Principle 3 of the applicable standard and asked for a meeting to discuss how to proceed. Evidence of repeated attempts, using different tactics, to open communications towards reaching agreement. Minutes of any meetings with representatives of the Aboriginal community. Evidence that the manager has negotiated as much of the required agreement as possible, from the description of the roles and responsibilities of the parties through to the interests of the</p>	<p>C</p>	<p>Each First Nation has a representative on the planning team for the 2009 FMP currently being developed, and has also had representatives on the 2004 FMP planning team. NFRM also has developed an Agreement of Understanding. Signed agreements are in place with Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations. The agreements are to be reviewed with the First Nations at the end of the current plan term (March 31, 2009). The Terms of Reference for the 2009 FMP identifies First Nation participation on the planning team and describes, among other things, the roles and responsibilities of the planning team members, the consultation approach preferred by each community, and the First Nation communication strategy and schedule. The Agreement of Understanding includes the provision that the agreement not intended to abrogate or derogate from any Aboriginal or Treaty rights held by any party to the agreement. The purpose of the agreement as stated in the agreement is "...to formalize opportunities that exist in the Nipissing Forest to ensure a more equal participation of Aboriginal people in the benefits provided by Forest Management activities..." A dispute resolution mechanism is described in the FMPM. Discussions with the First Nations indicate that they are currently satisfied that NFRM has incorporated their interests and concerns within the management plan. NFRM participates in the Aboriginal Working Group quarterly meetings and uses the mechanism to share information, provide clarification, and discuss concerns. Some of the meeting minutes were provided to the auditors as evidence. Discussions with First Nations provided corroborating evidence.</p>

<p>parties, a description of appropriate decision-making authorities for all parties; a dispute resolution mechanism and the conditions under which consent has been given (or withheld) and under which it might be withdrawn (or granted) Written summary of what the manager understands to be the key concerns of the community and evidence of efforts to seek confirmation in writing of this understanding from the Aboriginal community.</p>		
<p>3.1.3 On public forests, the manager participates in and/or supports the efforts of the affected Aboriginal communities to develop their capacity to enable them to participate in all aspects of forest management and development.</p>	C	<p>NFRM supports First Nation representation on the planning team, task teams, LCC and participates in Aboriginal Working group meetings. NFRM also supported First Nations in obtaining a seat at NFRM board meetings in an observer capacity. NFRM supports the contracting of Aboriginal contractors where available. There are usually seven Aboriginal harvesting and silviculture contractors who operate on the Forest including four of the First Nations who have harvesting allocations on the Forest totaling 8.1 % of the AHA. NFRM has supported First Nations' request to MNR that per diems be provided for participating on planning team task teams.</p>
<p>3.1.4 On public forests, the manager has jointly established with affected and interested Aboriginal communities, opportunities for long-term economic benefits where that is the desired objective.</p> <p><i>Means of verification:</i> Record of jobs filled and employment opportunities provided to Aboriginal individuals; Record of training opportunities provided/available to Aboriginal individuals; Joint agreements signed by both parties clearly stating the nature of the economic opportunities, evidence of revenue-sharing from forest operations, and timelines; and Indication of satisfaction from the affected and interested Aboriginal community(ies).</p>	C	<p>Through participating on the planning team, First Nations have worked with NFRM in developing social and economic objectives, strategies and targets that will benefit the Aboriginal communities, including a target to increase the harvest rights to 12% by the end of the FMP (via a variety of means including purchasing harvesting rights that may come available, harvesting other allocations, etc.). Over the last five years, NFRM has averaged \$432,000 in contracts awarded to Aboriginal Contractors. FMP Training opportunities are provided during plan implementation and during the development of the next FMP. There are also Aboriginal owned contractors who work on the Forest including Emile Janveaux Forest Products Ltd. (harvesting), Redbridge Forestry Services (treeplant), and Andy Montreuil (silviculture).</p>
<p>3.1.5.a Applies on Public forests - A dispute resolution process, where necessary, has been jointly developed with the affected Aboriginal communities, is documented and is being fairly implemented.</p>	C	<p>NFRM states that a separate dispute resolution process is not required, nor is it seen by the First Nations as required. Interviews with First Nations indicate that this is an accurate statement. There is an issue resolution process described in the FMPM available to the First Nations. There is also a dispute resolution process identified in the Overlapping Licensee agreement. NFRM feels that good ongoing communication with First Nations, particularly through the Aboriginal working group, has helped prevent disputes from arising.</p>
<p>3.1.5.b Applies on private and community forests - If a conflict over tenure and use rights is raised by an aboriginal community, the manager comes to an agreement with the aboriginal community on measures the manager will take towards resolving the dispute.</p>		NA
<p>C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</p> <p>On Private and Community forests, the dispute resolution requirements described in 3.1.5b is the mechanism to address 3.2.</p>	C	
<p>3.2.1 On Public forests, the manager makes use of an assessment of Aboriginal resources and tenure rights, undertaken by or jointly with the affected Aboriginal communities.</p>	C	<p>Each First Nation has prepared the social economic profile report for their own communities. They also prepared background information reports which contain information on past resource uses and values identified by the community. Values information is treated as confidential and used by NFRM solely for the</p>

<p><i>Means of verification:</i> Baseline data on numbers of traditional land users, resources used, areas frequented and revenues generated from traditional land-use.</p>		<p>purposes of forest management planning.</p>
<p>3.2.2 On Public forests, the manager ensures that management activities outlined in the management plan do not threaten or diminish Aboriginal resources are based on the results of the assessment described in 3.2.1.</p>	<p>C</p>	<p>Values identified in the reports referred to in 3.2.1 are treated as confidential and used by NFRM solely for the purposes of forest management planning. AOC prescriptions are applied to protect the values to ensure management activities do not threaten or damage them. Discussion with four of the First Nations indicated that they are satisfied with the level of protection afforded their values by the process and appreciate that NFRM respects their values that they have identified.</p>
<p>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.</p>	<p>C</p>	
<p>Traditional Ecological Knowledge</p> <p>Criterion 3.3 is intended to ensure that the manager takes adequate measures to identify and protect sites of significance to Aboriginal communities, and the principal source of information should be Aboriginal peoples themselves, while recognizing that the ownership of this knowledge rests with the Aboriginal peoples who choose to share it or make it available subject to appropriate confidentiality considerations.</p> <p>Aboriginal peoples have a variety of perspectives as diverse as the many Aboriginal communities that populate Canada. There are a number of Aboriginal organizations that contribute to the body of forestry knowledge as it relates to Aboriginal communities. With respect to traditional ecological knowledge Aboriginal organizations, Aboriginal Elders and others are bringing forth a science that has significant contemporary value. That science is being utilized to identify forest products that are of particular importance to Aboriginal peoples, and also in some circumstances to provide benefits outside of the Aboriginal community, such as to treat cancer or produce value added products. Where that information is being used by the manager for commercial benefit Criterion 3.4 addresses the need to provide appropriate compensation for this knowledge.</p>		
<p>3.3.1a Applies on Public forests - The manager supports the efforts of the affected Aboriginal communities to conduct land use studies and mapping which result in an Aboriginal areas of concern protection agreement, addressing information sharing, protection, mitigation and/or compensation, and confidentiality measures for Aboriginal traditional values and uses.</p> <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> • Written plan on Aboriginal land use and values and supporting maps; • Evidence of financial or technical support by the manager to conduct land use studies and mapping; • Evidence of the implementation of the Aboriginal areas of concern protection agreement including evidence of change in forestry operations, if pertinent; • Evidence of negotiations with hunters, trappers and other Aboriginal individuals who are land users, that are endorsed by the Aboriginal communities; 	<p>C</p>	<p>Each community produced a Background information report which summarizes, for each Aboriginal community, past and current resource use and recent forest management-related concerns, and includes an Aboriginal values map. Often community members, including elders, were interviewed as a source of valuable knowledge.</p> <p>Values identified in these reports are treated as confidential and used by NFRM solely for the purposes of forest management planning.</p> <p>The Agreements of Understanding with Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations speak to the confidentiality of this values information and how the values will be protected through AOC prescriptions.</p> <p>MNR provides funds to First Nations to do values mapping.</p> <p>High Potential Cultural Heritage areas have been investigated by an Archeologist with First Nations participation as coordinated by MNR.</p>
<p>3.3.1b Applies on Private and Community forests - The manager gathers and documents publicly available information</p>		<p>NA</p>

<p>about sites of special cultural, ecological, economic or spiritual significance to Aboriginal People(s) that has been provided by relevant authorities or that has been identified during the public consultation process described in 4.4.</p>		
<p>3.3.2a Applies on Public forests - Where Aboriginal communities indicate that forestry operations on particular blocks or sites are creating a threat of serious environmental, economic, or cultural impact, the manager suspends or relocates forestry operations until disputes are resolved. Examples of serious threats could include:</p> <ol style="list-style-type: none"> Destruction of burial sites, spiritual sites, spawning areas, medicinal areas; Severe disruption of livelihood; Damage to community water supply; or, Severe disruption of food chain to the community. <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> Policies in place to suspend or relocate operations pending dispute resolution; Record of suspended or relocated operations in response to an identified threat; and, Community satisfaction with handling of serious threats. Agreement(s) with the affected Aboriginal communities on monitoring. Regular joint assessments on the effects of forest management activities on the Aboriginal communities. 	C	<p>NFRM has not been approached by a First Nation in the past to address a situation such as this.</p> <p>Discussions with First Nations indicate that they trust NFRM will contact them for clarification should a potential native value be discovered or threatened. There are no agreements in place with the communities regarding monitoring of activities, however, the Agreements of Understanding that is in place with Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations does contain provisions with respect to suspending operations to protect a potential value “<i>If a potential Native value is discovered on any operation planned by NFRM, operations will be immediately stop within 200 metres of the discovery and NFRM will immediately contact the First Nation and the MNR for further direction. Operations will not re-start without the documented agreement of the First Nation.</i>”</p> <p>Regular joint assessments on the effects of forest management activities on the Aboriginal communities are addressed through a variety of ways including the documentation requirements of the FMPM; the various committees that have Aboriginal representation (Planning Team, Local Citizen Committee, Aboriginal Working Group); the Agreements of Understanding between NFRM and Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations; and the business relationship between NFRM and the First Nations around the harvesting allocations.</p>
<p>3.3.2b Applies on Private and Community forests - Consistent with landowner objectives, the manager takes steps to protect values identified in 3.3.1.</p>		NA
<p>3.3.3 On Public forests, the manager supports the efforts of the affected Aboriginal communities to monitor the impacts over time of forestry activities on the values identified in the Aboriginal areas of concern protection agreement.</p> <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> Agreement(s) with the affected Aboriginal communities on monitoring. Regular joint assessments on the effects of forest management activities on the Aboriginal communities. 	C	<p>The Agreements of Understanding between NFRM and Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations include provisions on the Protection of Native Values which addresses identification, confidentiality, protection, deviation from the prescription or location of a Native value, discovery of new values, values requiring verification from First Nations</p> <p>There was one instance where NFRM requested the help from Dokis First Nation to verify the location of a known value. The community appreciated the call and was happy with the outcome. An elder accompanied NFRM to the site to confirm the location.</p> <p>Discussions with First Nations indicated that regular joint assessments do not occur with NFRM to monitor the impacts over time of forestry activities on the values identified. However, the First Nations also indicated that they trust NFRM to honour its obligation to protect identified values and to notify them when necessary if a new value is suspected.</p> <p>NFRM has developed a Compliance Strategy and Plan for the Forest as part of the FMP. Annual Compliance Plans are also developed as part of the Annual Work Schedule each year. The compliance plans detail how NFRM will monitor adherence to, among other things, the AOC prescriptions for all values, including values identified by First Nations. The AWS is made available to the First Nations at the beginning of each operating year.</p>
<p>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.</p> <p>The Convention on Biological Diversity notes the importance of encouraging the equitable sharing of benefits arising from the utilization of indigenous knowledge innovations and practices (Article 8j). In the FSC GLSL standard Criterion 3.4 is</p>	C	

intended to apply specifically to the equitable sharing of the benefits from the <i>commercial use</i> of Aboriginal knowledge. The broader issue of equitably sharing benefits of forest management is addressed in 3.1.2.		
<p>3.4.1 The manager enters into an agreement with the affected Aboriginal communities which compensates for the use of traditional knowledge in forest management. Examples of traditional knowledge use:</p> <ul style="list-style-type: none"> • Commercial use of a forest species, in particular non-timber forest products; • Improved management plans; or • Improved operations. <p><i>Means of verification:</i> Written compensation agreement Evidence that compensation has been delivered and of satisfaction of Aboriginal individuals with the application of the agreement</p>	C	<p>Agreement of Understanding was developed to address the sharing of values information and to formalize NFRM's obligations under the SFL and its desire to work cooperatively with First Nations. To date, Antoine First Nation, Mattawa/North Bay Algonquins and Dokis First Nations have each signed an agreement. First Nation representatives on the Planning Team receive from MNR a set per diem rate for participation in meetings. Mileage is paid by MNR to First Nation representatives who participate in the Aboriginal Working Group meetings. Generally, the per diem is satisfactory. One First Nation did complain about MNR's policy not to pay a per diem when attending Planning Team task team meetings. The decision to not pay suggests that input is not deemed valuable enough and that participation is therefore being discouraged.</p>
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
<p>Employees and Forest Workers Definitions</p> <p>Employee: Anyone who is on the payroll of the manager, in a full-time, part-time or seasonal capacity, for whom the manager withholds and remits taxes in accordance with federal and provincial laws.</p> <p>Forest worker: All employees as defined above, as well as self-employed contractors, the employees of contractors or the employees other companies whose activities (e.g. planning, road-building, thinning, harvesting, hauling, etc) contribute directly to the delivery of wood to the manager that will be included in the scope of the FSC certificate.</p>		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.	C	
<p>4.1.1 The manager supports the procurement of goods and services from local suppliers and communities.</p> <p><i>Means of verification:</i> Policies and processes related to local procurement. Tender notices. Evidence of local procurement (e.g. contracts with local suppliers, lists of purchases).</p>	C	<p>Majority of the Overlapping Licensees and contractors are all local businesses. Local silviculture contractors are hired each year without a tendering process. NFRM has a policy for <i>Providing Opportunities to local Businesses & Contractors</i>. The NFRM Business Plan of 1996 also emphasizes local hiring in paragraph 5.1: <i>It is the policy of the Company to hire locally when feasible, and if required to assist in developing local expertise that could in turn, provide services to adjacent SFL's and Crown Management Units.</i> NFRM provided a list of local vendors it has done business with over the years.</p>
<p>4.1.2 According to its means, the manager offers employment to workers and contractors in the local and affected communities.</p> <p><i>Means of verification:</i> Evidence of employment offered to local workers and contractors (newspaper ads, use of local hiring services, etc.) Interviews with local interests</p>	C	<p>See above. Also, NFRM does make an effort to provide some tree planting contract work to a local Aboriginal tree plant contractor. The bulk of the tree plant is contracted to a large company based out of Toronto. Many of NFRM staff is also local to the area.</p>
<p>4.1.3 According to its means, the manager contributes to local and affected communities in a manner that builds capacity and enhances quality of life and community stability.</p> <p><i>Means of verification:</i> Records of manager's sponsorship of local events, scholarships, sports teams, etc. Employment records demonstrating an emphasis on working towards providing continuous employment opportunities (versus seasonal employment).</p>	C	<p>NFRM provided numerous examples including: Assisting Sir Sandford Fleming in their Fall Field School in 2007 Seedling donation to <i>Friends of Mashkinonje Provincial Park</i> Presentation to Lakehead University Field School Initiated the development of a nature park with trails at a local school. Teachers Tour Sponsorship 2007 Developmental support and purchase of local Naturalists Club Species at Risk book. NFRM participating in job fair at local First Nation school Supported local cross-country ski club in trail expansion</p>

Records of manager's support to continuing education in local communities, including First Nation communities.		Discussions with other stakeholders confirmed many of the examples NFRM provided.
4.1.4 The manager is taking steps to minimize or mitigate negative impacts on employment (e.g. closures, restructuring, technological change, seasonal layoffs, etc.) <i>Means of verification:</i> Assessments of technological impacts on workers. Transition programs for displaced employees. Employee retraining programs	C	NFRM avoided a permanent layoff of one position by reducing two positions to a 4 day work week from a 5 day work week. The shareholder and overlapping licensee Grant Forest Products does not intend to harvest on the forest for several years, so the harvest blocks have been transferred to Tembec and Goulard Lumber through amendments to the overlapping license agreements to spread the work to the other shareholders. NFRM is working with Nipissing First Nation on an idea to develop a co-generation facility. NFRM is working with MNR on a wood supply study to provide wood pellets to Ontario Hydro.
4.1.5 Total remuneration packages for employees, including wages and other benefits (health, retirement, worker's compensation, housing, food, profit sharing), are fair and compare favourably with prevailing local standards. <i>Means of verification:</i> Level of worker satisfaction with remuneration. Policies related to remuneration. Comparability of remuneration to regional forest sector standards.	C	Yes, however, Forest Technicians are not happy with the reduced work load from a 5 day week to a 4 day week. Foresters on staff are supposed to receive pay at a rate based on the MNR pay scale; due to the economic situation this was not possible. Also in light of the time reductions in the forest technician positions, this was not realistic and not done. In spite of the reduced time base and the reduced pay levels, the staff seems to be committed to doing a quality job. The reduction in time of the forest technician staff does appear to have the potential to cause some negative impact in the on-the-ground application of forest management. The foresters on staff are currently heavily involved in producing the new FMP.
4.1.6 The manager should accommodate or support alternative or community forest management projects when approached to this end by local community members and where the project receives support through the public participation process described in Criterion 4.4. <i>Means of verification:</i> Interviews with local promoters Manager's participation in the analysis of projects brought to its attention Description of manager's collaboration	C	Co-operative SFLs are gaining wider interest across Ontario based on the potential for reduced costs through savings in planning, better utilization and more efficient wood flow. NFRM provided information and background for a presentation on Management Unit Amalgamation presented to single entity SFLs. NFRM has also taken numerous calls from individuals with questions about co-operative SFLs. NFRM and MNR are supportive of the Aboriginal Working Group by participating regularly in the meetings and providing forest management information beyond the requirements of the Manual. Interviews with First Nations representatives supported this finding. NFRM also provided meeting minutes as evidence. For example, NFRM presented the plan and reviewed the plan objectives with the group; also presented plan amendment information to the group; and reviewed the annual reports with the group; all while there is no requirement for NFRM to take the time to do this.
C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.	C	
4.2.1 The manager ensures that all forest workers comply with all relevant provincial occupational health and safety requirements, <i>Means of verification:</i> Safety policy. Equipment safety inspection records. Worker interviews. Written contracts or understandings with contractors or other employers of forest workers	C	NFRM provided records of its health and safety policies including its Employee Health & Safety Policy and numerous other policies dealing with safety related matters. Policies for contractor companies performing work directly for NFRM are included as a means of ensuring that employees thereof are afforded required protection.
4.2.2 The manager has a process in place for fairly resolving disputes with employees pertaining to occupational health and safety.	C	In its "Employee Health and Safety Policy", NFRM has established an "Overview of Roles and Responsibilities" to ensure that health and safety concerns are communicated to NFRM's general Manager. NFRM has a Health and Safety Representative who acts on behalf of NFRM staff and contractors in ensuring that employer health and safety requirements are met as described in the Occupational Health and Safety Act (Ontario). This act includes provision for any worker to refuse to perform work that he or

		she believes will endanger themselves or others. The act prohibits reprisals by the employer.
C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).	C	
4.3.1 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. <i>Means of verification:</i> No complaints or evidence of company interference such as discharging of employees related to organizing drives, coercion of employees, etc. Worker interviews.	C	NFRM staff is aware of their right to organize. Ontario law guarantees the rights of workers to organize. The Ontario Labour Relations Act (R.S.O. 1995) states that “Every person is free to join a trade union of the person's own choice and to participate in its lawful activities.”
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.	C	
4.4.1 Local communities, community and non-government organizations, forest workers, and the interested public affected by forest management are provided with meaningful opportunities to participate in forest management planning. The manager demonstrates that all input was considered and responded to.	C	The legislated Forest Management Planning Manual (FMPM) requires that meaningful public consultation occur during the preparation of a plan. All input received from the public during the consultative process so far for the 2009 FMP has been summarized including responses given by NFRM and/or MNR and provided to the auditors. NFRM has signed Resource Stewardship Agreements with 35 tourism outfitters which recognizes and provides for protection of their values on the forest. Areas of Concern prescriptions currently being applied were reviewed by the public during the 2004 FMP planning process. The current planning process has provided the public opportunities to review the proposed AOC prescriptions for the next plan term. First Nation communities are given an option to follow the consultation process outlined in the Manual or develop their own consultation approach with NFRM.
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	NFRM provided an example of the notice they send to adjacent landowners and local resource users that may be directly affected by forest operations prior to commencement of operations. For the current planning process MNR North Bay District has identified all adjacent landowners and sent them notice of the first information centre. Interviews with stakeholders did not identify any issues regarding notification of operations in their vicinity.
4.4.3 On public lands, a public participation process is used to supplement the requirements of 4.4.1. The manager openly seeks representation from a broad and balanced range of interested parties and invites them to participate.	C	Under the Manual, First Nation communities are given an option to follow the consultation process outlined within the Manual or develop their own consultation approach with NFRM. In the past NFRM has held community meetings at the request of a First Nation. For the current planning process, NFRM held a special information centre in the community of Restoule to discuss a proposed haul route through the community. Another meeting is planned this summer to discuss alternate routes and other options with the community. The planning process in Ontario also requires that a Local Citizens’ Committee participate in plan development and implementation through regular meetings. Members represent a range of interests local to the area and are able to comment and provide input on forest management. NFRM and MNR attend the meetings and use the forum as another means of providing information to the public.
4.4.4 The public participation process on public lands uses clearly defined ground rules that contain provisions on: <ul style="list-style-type: none"> • Goals; • Timelines; • Internal and external communications; • Resources (human, physical, financial, informational or technological) according to needs; 	C	The public consultation process required by the Forest Management Planning Manual addresses all of the bullet points within this criterion. Specifically, it sets goals and timelines for the plan development; it outlines a public communication process; it describes the human resources required to develop a sound plan; it requires that a planning team be struck and develop a terms of reference to guide it which must address many of the items listed in this criterion. The Manual also describes a dispute resolution process.

<ul style="list-style-type: none"> • Roles, responsibilities and obligations of participants, including their organizations; • Decision-making methods; • Authority for decisions; • Mechanism to adjust the process as needed; • Access to information; • Participation of experts, other interests and government; and • A dispute resolution mechanism. <p>The participants have been involved in the development of, and agreed to, the ground rules.</p>		<p>The planning team develops and agrees to the terms of reference. The current Manual underwent a public review as required for its development and release in 2004.</p>
<p>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.</p>	C	
<p>4.5.1 The manager takes measures to avoid loss or damage to property, rights, resources or livelihoods</p> <p><i>Means of verification:</i> Manager’s record of trespassing, causing damage etc. Training materials related to avoiding trespasses, etc. Manager’s checking and monitoring procedures and related records. Relevant knowledge of workers and contractors to minimise potential damage by operations.</p>	C	<p>There has only been one incident of trespassing onto adjacent or another landowner’s property which occurred over five years ago and was resolved out of court several years ago.</p> <p>NFRM has made a commitment to prevent incursion onto adjacent landowner’s property during operations. To this end Policy 4 was formulated and adopted. The policy states: “Efforts will be made to contact the adjacent land owner to notify them of planned activities before they occur. All planned activities on adjacent property requires the written consent (or verbal consent with documentation) of the land owner. Every effort will be made to ensure that planned activities do not occur on adjacent properties. Planned activities include: harvesting, road construction, renewal, tending and protection.”</p> <p>In addition there is a public meeting to review the annual work schedule for the forest. This provides adjacent landowners an opportunity to review the planned activities and to watch for trespass.</p>
<p>4.5.2 The manager has a process in place for fairly resolving disputes with other resources users and the general public that result from forest planning and operations.</p> <p><i>Means of verification:</i> Written documentation regarding the dispute resolution process. Documentation regarding the resolution of past disputes. Interviews with those with whom the manager has had a dispute and used the resolution process. Evidence of disputes resolved in a timely and satisfactory fashion for all involved parties. Compensation provided.</p>	C	<p>A policy has been adopted to provide a procedure for individuals and the private sector to register concerns or disputes with NFRM. The policy is Policy 5 and states: “To provide steps to allow personnel to communicate with concerned members of the public and private sectors who may have a dispute with the actions or plans being carried out by NFRM.” Also included in this policy is the written documentation regarding the process. There was one dispute that went to court and then to the appeals court. The court and the appeals court ruled in favour of NFRM. The ruling from the court was in the evidence examined.</p>
<p>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.</p>		
<p>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.</p>	C	
<p>5.1.1 Resources are in place 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.).</p> <p><i>Means of verification:</i> Comparison of planned versus actual activities in past years.</p>	C	<p>The Nipissing Forest has not achieved its allowable harvest level primarily for reasons associated with inadequate markets for wood products. Forest renewal and tending and forest restoration resources are ensured through contributions on a per unit volume basis to designated trust funds for renewal and restoration. Low harvest volumes provide sufficient financial resources to ensure forest renewal for harvested areas.</p>
<p>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the</p>	C	

forest's diversity of products.		
<p>5.2.1 The manager seeks the optimal or “highest and best” value for forest products.</p> <p><i>Means of verification:</i> Product sorting at harvest operations or wood yards. Documentation of efforts made to determine quality and value of products prior to harvest (e.g. Operational cruising). Forest manager demonstrates working knowledge of forest product markets. Trend over time in value obtained per unit of product.</p>	C	<p>During the field audit portion of the 2008 recertification audit, several landings were visited where product sorting was occurring to maximize the value and utilization of logs from harvest operations. Market conditions in the area have affected the harvest planning and operations. NFRM and the operators are seeking blocks to harvest where current market conditions provide for sale of the logs. Due to extreme weather and forest pest problems over the past two years, much of the harvest has been aimed at recovering value from damaged trees. These salvage operations include damaged trees from blowdown, spruce budworm and jack pine budworm. The FMP modeling done to determine the allowable cut accounts for natural depletions so planned allocations do not have to be substituted for salvage areas. In spite of that many allocated areas in the 2004 FMP will not be harvested due to operations working in salvage areas.</p> <p>Planning is progressing on a new cogeneration plant and possibly a wood pellet plant in the area to provide an outlet for otherwise non-merchantable wood The MNR is currently working with existing hardwood veneer mills to ensure that they receive a sufficient amount of wood to meet their needs, It is expected that Columbia Forest Products will obtain more veneer quality logs from the Nipissing Forest in the future and the existing wood directive to Columbia Forest Products will be increased.</p> <p>In spite of all the efforts made in this area, there is room for improvement. At some sites the audit team noted decks of logs of otherwise merchantable material, for which there was no viable market at the present time. These logs had been felled and skidded to roadside landings and left there. They have now be scaled and released for firewood. Some of these were unavoidable production from road right-of-way clearing, but some were felled to access merchantable trees and then skidded to the landing.</p> <p>REC 2008.3</p>
<p>5.2.2 Preference is given to local processing and value-added facilities if financially competitive.</p> <p><i>Means of verification:</i> records of timber sales and/or deliveries to determine the percent of volume harvested which is processed locally. interviews with local wood processors. Efforts made to provide local value added industry with access to wood supply</p>	C	<p>Table AR 4 in the annual report shows the utilization of wood from the Nipissing forest by mill. This report demonstrates clearly that local processing plants and value added processors are given priority in the delivery of logs from the forest.</p>
<p>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>	C	
<p>5.3.1 Within the framework of the silvicultural system used, all harvested merchantable and marketable timber is utilized unless left on-site to provide structural diversity and wildlife habitat or for cultural reasons.</p> <p><i>Means of verification:</i> Forest manager has developed and implemented a wood utilization standard Forest manager can demonstrate efforts to improve the utilization of lower diameter and quality wood. There is evidence that log specifications and harvest procedures are designed to optimize value and avoid waste. Active measures are taken to prevent loss in value after harvest.</p>	C	<p>The Ontario Crown Forest Sustainability Act specifies four manuals for implementation in forest management activities on Crown land. The Scaling Manual provides minimum utilization standards and defines the “Failure to comply with minimum utilization standards unless otherwise described in the Forest Management Plan is a wasteful practice. No person shall commit wasteful practices in forest operations.”</p> <p>NFRM made application to the MNR for a number of salvage harvests of areas in which timber had been damaged by a severe wind storm illustrating its efforts to ensure utilization of damaged timber.</p>
<p>5.3.2 The manager avoids and minimizes the removal of valuable but non-marketable trees without sound silvicultural justification.</p>	C	<p>Hemlock is a non-marketable species which is afforded protection during harvesting operations. Tree markers mark hemlock for wildlife trees (blue paint) indicating to tree felling operators that these trees are protected from felling</p>

<p>5.3.3 On-site processing sites are limited in size and number and all by-products are properly disposed of.</p> <p><i>Means of verification:</i> Use of forest by-products for bioenergy, co-generation firewood, etc.. Slashing and chipping residue is properly disposed of and not left piled on-site Proportion of waste recycled from milling operations Number and surface area of on-site processing sites</p>	C	<p>Examination of on-site processing sites during the field portion of the audit demonstrated compliance. The number and surface area of on-site processing sites was low as most sites were only temporary. Slashing of treelength logs into log length material required no permanent processing sites. Slash (limbs, tops and cull material) was piled and burned, and these sites were renewed.</p>
<p>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>	C	
<p>5.4.1 Forest management diversifies forest use and products while maintaining composition, structure and functions.</p> <p><i>Means of verification:</i> Record of forest products derived from the forest. Provisions for NTFP's (e.g. maple syrup, mushrooms, nuts, etc) in the management plan.</p>	C	<p>The Nipissing Forest is extremely diverse in species composition. This is characteristic of the transitional forest included in the GLSL region. As such there is a great potential for diverse products. Crown lands are available to the residents of Ontario for collection of a number of products, such as mushrooms, berries, firewood (with a permit), hunting, trapping, maple syrup, and recreational use. Some other products, such as ground hemlock shoots and foliage are used in the pharmaceutical industry as a source of paclitaxel and other taxanes. NFRM has entered into more RSA agreements with local outfitters and lodge owners to protect the resources they derive their living from on the forest. These uses and other products are recognized and provided for in the 2004 FMP.</p>
<p>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p>	C	
<p>5.5.1 Forest management operations shall recognize, maintain, and where appropriate, enhance the value of forest services and resources, such as watersheds and fisheries.</p> <p><i>Compliance with this indicator is achieved by meeting the requirements in Principles 5 and 6.</i></p>	C	<p>The Nipissing Forest is exemplary in its protection and enhancement of the value of forest services and resources. The high degree on concern and protection was evident at the numerous field audit stops across the forest landscape. The number of RSA agreements (35 in the list of signed RSA's provided the audit team), the number of extra protections accorded resources, the HCV forest report and values, as well as the general attitude and approach of the staff are important aspects in demonstrating this. There is a strategic direction for protection of the diversity for the Province of Ontario and the Nipissing Forest is managed to meet this direction.</p>
<p>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</p> <p>This Criterion addresses the actual harvest of forest products. The related but different topic of setting sustainable harvest levels is addressed in 7.1.1 (Annex D)</p>	C	<p>Sustainable harvest levels were determined during the forest management planning process as required in Ontario. Annual rates of harvest were lower on the Nipissing Forest than the allowable levels due primarily to market conditions.</p>
<p>5.6.1 The manager demonstrates that the average of the present and projected annual timber harvests over the next decade, and averages of projected timber harvests over all subsequent decades, do not exceed the projected long term harvest rate, while meeting the GLSL Standards over the long term.</p>	C	<p>Sustainable harvest levels are determined during the forest management planning process. Harvest level projections for the Forest were determined for a period of 150 years.</p>
<p>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.</p>		
<p>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.</p>	C	
<p>The term "assessment of environmental impacts" as it is used</p>		<p>There are two inventory products in use on the Nipissing Forest. The planning</p>

<p>here is not intended to refer to a formal “Environmental Impact Assessment” as is conducted under federal and provincial laws and regulations. As it is used here, it is intended to mean technical assessments of the manner and extent to which proposed or undertaken management activities affect the environment directly and indirectly. The assessment methodologies used must be scientifically sound. The scope of an assessment is typically outlined at the start of the project so that the project has some well-defined boundaries.</p> <p>These may include physical, temporal, political, cultural and financial limits within the project mandate. Aspects of the environment typically included in assessments are site impacts (on soil and site attributes), community impacts (on local wildlife and ecological communities), and landscape impacts (on the broader forest ecosystem).</p> <p>Where an Environmental Impact Assessment has been carried out – including a Class Environmental Assessment such as the Class Timber EA carried out by the Province of Ontario – the information and guidelines that result from that Assessment can be used towards meeting the requirements of 6.1, provided that the manager can clearly document how it has assessed the local site conditions on its management unit in advance of carrying out operations, and in enough detail to determine where and how such guidelines might apply. Assessments at the stand or site level are carried out prior to implementing field operations and periodically thereafter.</p>		<p>inventory comprised of the planning composite (PCI) and forecast depletions, and the base model inventory (BMI). The planning inventory and base model inventory provide information required for forest management planning, including forest modelling, habitat modelling, forest diversity analyses and operational planning.</p> <p>The PCI has been spatially updated to March 31, 2006 for depletions, silvicultural activities and previously depleted area declared “free-to-grow”. Interim attribute updates have also occurred for stands managed under the shelterwood and selection silviculture systems based on post-harvest survey information. This continuous inventory management has allowed for more accurate estimates in managed areas on the forest.</p> <p>In July of 2006, a significant wind event lead to some disturbances in both new and previously managed stands, predominantly white and red pine shelterwood stands. The results of this event were captured in the inventory development process in the form of forecasted depletion. Detailed mapping was performed by ground crews for these areas and other newly disturbed areas. Depletion assumptions for the stands were triggered when the management direction of the stand changed as a result of the wind disturbance.</p> <p>The MNR’s Statement of Environmental Values (SEV) under the Environmental Bill of Rights (EBR) is a document which describes how the purposes of the EBR are to be considered whenever decisions that might significantly affect the environment are made in the Ministry. In the development of the 2004 FMP, MNR’s Statement of Environmental Values (SEV) was been considered. The plan reflects the direction set out in the SEV, and the objective of managing Ontario’s natural resources on a sustainable basis.</p>
<p>6.1.1 A method for assessing environmental impact is implemented by the manager. This method shall consider impacts including but not necessarily limited to: the quality and quantity of forest resources; site specific impacts; and impacts on other resources</p>	C	<p>There are several types of assessment done on a regular basis to ascertain the environmental impact of forest management. Some of the regular monitoring includes compliance monitoring, regeneration assessment, free-to-grow surveys, depletion analysis, silvicultural effectiveness monitoring, HCV monitoring, and logging damage assessment. Field work includes identification and recording of forest values as part of the regular work. Several examples of this were observed by the auditors in the field audit. Site specific silvicultural prescriptions are developed for each area to be harvested. These were reviewed by the audit team at each of the field stops. These provide a framework for determining the effectiveness of the silviculture.</p>
<p>6.1.2 The manager has gathered relevant data including environmental and ecological data that will serve as regional and landscape-level context for the environmental impact assessment.</p> <p>The information shall include, but need not be limited to:</p> <ol style="list-style-type: none"> Maps of ecosystems, fragile ecosites, soil type, forest cover and natural disturbance for the forest; An inventory of site specific environmental/ecological characteristics sensitive to impacts by forest operations such as steep slopes, shallow soils, moist soils and soil subject to compaction (e.g. structured clay); Maps of HCVFs and their attributes; Classification of water bodies and identification of spawning grounds. Information regarding management regimes in surrounding forests, in particular for the areas or sites abutting the forest; Details on sites and areas of particular ecological importance for First Nations (as per Criterion 3.3). 	C	<p>NFRM provided the audit team with a set of maps representing some of the items listed in this indicator. Others were available for viewing in the office. NFRM has a very extensive set of up to date maps that are GIS based and are readily produced for a variety of management needs. All the packets of information on the field audit included detailed maps of the area visited. These included multiple resource layers, such as forest cover, lakes, streams, topography, wetlands, moose habitat, HCV’s, cold water fisheries, property boundaries, land ownership or uses of adjacent lands, and cultural values (with appropriate confidentiality provided). The mapping system in use by NFRM is extensive and provides a wealth of readily available information. Updates to the datasets for these maps are made on a regular basis as the new data and values are identified and collected.</p>
<p>6.1.3 The natural variability and historic local pattern of the</p>	C	<p>The 2004 FMP includes a complete description of the types of forest</p>

<p>forest in the region has been characterized, and includes: A description of major disturbance factors, including disturbance intervals; Estimated mean distribution and/or composition of tree species, forest cover types and/or forest unit as appropriate; Estimated typical age class distribution. The assessment is reviewed by qualified specialists and available for public review.</p>		<p>communities found in the Nipissing Forest This is updated by the SAP on a periodic basis and by the FRI when it is redone by the MNR. The FRI is currently scheduled for flights. The age class distribution is also included in the Table FMP-2 and is updated as the SAP, depletion, and the free-to-grow data is incorporated into the dataset. The table in the FMP is not updated until the next FMP is developed; however, the working dataset is updated and includes the current data. This data has been reviewed and approved by the MNR, as indicated in the 2004 FMP. The historic condition of the Nipissing Forest is also described in the FMP. This helps to provide a guide as to some of the desired future conditions in the forest, particularly with reference to restoration goals for white and red pine.</p>
<p>6.1.4 The data collected in 6.1.2 and 6.1.3 is verified on-site where appropriate, assessed and interpreted in consideration of the potential impacts (positive or negative) described in 6.1.1.</p>	C	<p>Due to the size of the Nipissing Forest, the dataset is not verified until a site is scheduled for some type of operation in the AWS. At that time the information included in the dataset and reflected on the maps is verified prior to the commencement of operations. This provides for verification prior to any operation and covers the desired review.</p>
<p>6.1.5 Benchmarks of current forest condition at the stand and landscape levels are in place to serve as references during impact assessment.</p>	C	<p>The current conditions of the Nipissing Forest are documented during the FMP process and from the FRI dataset, which is updated as new information is made available. This dataset can be utilized as a reference to determine progress toward the desired future condition of the forest.</p>
<p>6.1.6 The results of environmental assessments are incorporated into management planning and implementation such that where an assessment has indicated that environmental impacts of proposed management activities pose significant risk, then: a. Management activities do not occur; or b. The manager reduces the risk to an acceptable level by employing an alternative management approach or mitigative measures; or c. The manager provides a rationale that includes evidence that the chosen option is acceptable based on the conservation of biodiversity and/or other environmental values. This rationale is to be compared with the risk of taking no actions.</p>	C	<p>The 2004 FMP provided a work plan for the period from 2004 through 2009. At times there were amendments required to the planned work schedule due to natural disturbances as well as from discovery that the inventory data in use was not accurate. This required a modification to the planned work in the FMP and the AWS. Evidence of this type of activity was observed in the field audit, as well as at the LCC meeting where the amendments to the AWS and the FMP were discussed by the committee after presentation from the MNR. Changes to the planned activities in the FMP and the AWS must be approved prior to the commencement of activities and the proper authorizations obtained from the MNR. The amendments are reviewed by the LCC. During this process the rationale for the proposed change is presented.</p>
<p>6.1.7 The manager implements conditions necessary to achieve the intent of the silvicultural and harvest prescriptions including but not necessarily limited to : a. Residual stocking, structure, species composition and quality (ref. 6.2.4, 6.2.5, 6.3.1) b. Specific habitat requirements (ref. 6.2.2, 6.2.3, 6.2.4, 6.3.1, 6.3.2) c. Protection of sensitive sites (ref. 6.3.6, 6.3.9, 6.3.16) Where forest workers have not received specific training in meeting this requirement, trained tree markers shall be used.</p>	C	<p>The 2004 FMP includes all of the requirements outlined in 6.1.7. These include a description of the historic, current, and desired future conditions in the forest. This includes species composition, stocking rates, and age class distribution. The wildlife habitats present on the Nipissing Forest are discussed in detail and expected impacts on these are discussed and monitored to determine if they are increasing, steady or in decline. Sites that are of particularly sensitive nature are identified in the HCV report for the Nipissing Forest and in the Provincial regulations. These are protected by AOC's or other protection measures. Monitoring of the protection of these resources is part of the HCV and compliance inspection processes.</p>
<p>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.</p>		
<p>6.2.1 The management plan – or related documents – has an updated list of species at risk (i.e. flora and fauna) that are presently or potentially found in the forest (i.e. the forest is located in their distribution area), as indicated in federal, provincial or regional government listings, as well as other species that have been identified as needing special protection.</p>	C	<p>The Forest Management Planning Manuals, both 1996 and 2004 versions, include requirements for the inclusion of species at risk in the development of FMPs in Ontario. For the Nipissing Forest, the 2004 FMP includes a suite of AOC prescriptions for habitat of these species. NFRM also provided a list of AOC Prescription as proposed for the 2009 FMP which was in the process of being drafted during this audit. Additionally, Ontario's new Species At Risk</p>

		Act has added additional protection measures for these species.
<p>All species that are listed as “at risk” (i.e. those which have some special designation related to concerns for their population or habitat status) by federal or provincial government agencies and that are present or believed to be present on the management unit must be included in the considerations related to species at risk in Criterion 6.2 and elsewhere in the standard where the term “species at risk” is used. Managers should also consider other vulnerable species as “at risk” (and therefore apply the measures identified by the relevant indicators of this standard), including species that are under consideration for listing as well as species that have been identified by non-government agencies or groups if the designation or concern is the result of efforts by a diversity of agencies or groups, considering a diversity of vulnerability factors; and which include consideration of the impact of forest management activities on relevant vulnerability factors for the species.</p> <p>In 6.2.1 the manager maintains a list of all “at risk” species meeting the above criteria.</p> <p>Indicators 6.2.2 and 6.2.3 apply only to formally listed Species at Risk, while 6.2.4 applies to other uncommon species and 6.2.5 applies only to uncommon tree species.</p> <p>Also note that Principle 9 allows for the possibility of addressing concerns related to concentrations of endangered species and/or endangered ecosystems.</p>		
<p>6.2.2 Where plans exist, or are under development by government to protect the habitat and populations of species at risk in the forest, the manager implements all measures relevant to their activities and cooperates with efforts to control inappropriate hunting, fishing, trapping and collecting.</p> <p><i>Means of verification:</i> Protection plans for species and habitat or a development schedule for plans. Records of activities undertaken under the plans.</p>	C	<p>The Nipissing Forest 2004 FMP includes a suite of AOC prescriptions for species at risk that provide protection for critical sites. Evidence was provided to show that the 2009 FMP, which was in development at the time of this audit, was incorporating a similar suite of AOC prescriptions. This is a requirement for forest management on Crown lands in Ontario as described in Forest Management Planning Manual.</p> <p>Depletion records and monitoring using supplemental aerial photography show adherence to AOC boundaries.</p> <p>Recovery plans for all species at risk are being developed by Ontario. Responsibilities of SFL holders will be described.</p>
<p>6.2.3 Where plans identified through Indicator 6.2.2 do not exist or are incomplete or inadequate, a precautionary approach is used in management of the habitats of the relevant species at risk.</p> <p><i>Means of verification:</i> Review of precautionary measures. Comparison of approaches and levels of activity in neighbouring, similar forests. Results of habitat modelling for relevant species, where it has been undertaken.</p>	C	<p>Ontario is developing a new Stand and Site Guide which is based on the latest available scientific knowledge and includes relevant species. The 2009 FMP proposed AOC prescription include these species.</p>
<p>6.2.4 Special prescriptions are applied to protect rare and uncommon species: For rare and uncommon plant and wildlife species, appropriate buffer zones or harvest modifications are applied in order to ensure their protection.</p> <p><i>Means of verification:</i> Species and habitat protection plans, or timetable for preparing such plans. Records of activities undertaken in accordance with these plans</p>	C	<p>See comments under 6.2.2.</p>
<p>6.2.5 The manager has established a desired target for the future distribution and abundance of rare tree species listed in 6.1.1 consistent with site conditions, historical abundance and the scale of the forest being managed. The target, management plan and operational plans should be designed to: Increase its relative abundance; Conserve genetic diversity; Ensure successful regeneration ; Maintain a balance of age classes in the management unit; Harvest isolated stands only if adequate natural regeneration is present within the stand or if seed from the appropriate seed</p>	C	<p>The 2004 FMP sets an objective with targets as follows, “Move towards a species composition distribution more similar to that at the time of pre-logging and pre-fire suppression (all Crown forest).” The historic forest condition was determined from independent studies of the forest. These data were used to help set future objectives and targets for the FMP. Although no rare trees exist, species in decline were assigned targets to meet the objective, thereby increasing their relative abundance.</p>

zone is used to successfully regenerate (free to grow) an equivalent site within the seed zone; Harvest isolated individuals that have seed bearing potential only where they are showing signs of severe decline and are hazardous		
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.	C	
6.3.1 In consideration of the assessment results in 6.1, the manager has determined a long-term desired future forest condition that maintains, enhances or restores natural conditions in natural forests relating to: a. diversity of forest types b. diversity of successional stages c. distribution of age classes, including old growth d. diversity of forest structures (e.g. horizontal, vertical and pattern) e. connectivity f. levels of disturbances at the landscape level (e.g. watershed)	C	See comment in 6.2.5. The 2004 FMP sets an objective “Move towards a forest with a more even amount of area in each age class, with relatively less area in the older age classes.” The associated target is “Achieve and maintain the following age class distribution over the entire Crown forest: 0-30 years - 15-25%; 31-60 years - 15-25%; 61-90 years - 15-25%; 91-120 years - 10-20%; 121+ - 10-20%. The strategy to achieve the targets include reducing harvesting in certain age classes to allow more area to enter into the older age classes and using SFMM to constrain harvest levels and calculate acceptable levels to achieve this objective. In accordance with Ontario’s NDPEG, requirements to meet natural disturbance size targets and patterns were established in the 2004 FMP.
6.3.2 Quantitative short to mid-term (e.g. 2-5 years) objectives have been set, using expert input, to maintain, enhance or restore natural conditions in natural forests. Plans have been developed and are being implemented to achieve the objectives.	C	The 2004 FMP includes objectives, targets and strategies to direct forestry activities towards achieving a historic forest condition. Annual forest management activities occurring on the forest follow the direction specified in the FMP. The implementation term for the FMP is 2004-2009.
6.3.3 Quantitative habitat objectives should be set, using expert input, for species whose habitat requirements have not been addressed in 6.3.1. Plans have been developed and are being implemented in natural forests to achieve the objectives. This indicator is intended to supplement the “coarse filter” approach outlined in 6.3.1, by encouraging managers to implement measures aimed at improving habitat for significant species with specific habitat needs.	C	The 2004 FMP includes objectives that direct forestry activities towards achieving wildlife habitat targets for 16 wildlife species. Expert input supported the selection of the 16 species to ensure that their habitat requirements represented a broad range of habitats on the forest.
6.3.4 The manager has a strategic access management plan to minimize and mitigate the negative impacts of roads. This may include but is not necessarily limited to: • reducing road density; • reducing and/or limiting access to High Conservation Value Forest areas; • decommissioning roads; • avoiding road building in or around protected areas; and/or • maintaining remoteness of areas with sensitive cultural or ecological values or where required for tourism • Maintain or restore connectivity The manager collaborates with the government and other relevant authorities in implementing the plan.	C	The Nipissing Forest has a long history of use, much of which was based on the development of road systems. These road systems remain in place and continue to serve a broad range of forest users. The vast majority of these roads is useable for forest management activities but is not within the jurisdiction of NFRM. For new roads developed and maintained as part of forest management, NFRM is guided by its FMPs which include measures to ensure conformity with this indicator.
6.3.5 The manager complies at a minimum with all provincial regulations, policies and licence conditions pertaining to riparian and wetland protection during harvesting and road construction.	C	The 2004 FMP includes AOC prescriptions that ensure forest management compliance with all requirements pertaining to riparian and wetland protection.
6.3.6. Disturbance to seasonal watercourses (including intermittent and ephemeral streams, seeps, ponds, vernal pools) is avoided wherever possible. Temporary crossings are restored so as to avoid damage to seasonal watercourses.	C	In Ontario, forestry operations are required to comply with the “Environmental Guidelines for Roads and Water Crossings” which includes measures to minimize disturbances to seasonal watercourses where crossings are not avoidable. NFRM is obligated to adhere to these guidelines.

<p>6.3.7 The manager is implementing relevant best management practices pertaining to the protection of soils, water quality and sensitive sites.</p>	<p>C</p>	<p>See comment in 6.3.6.</p> <p>Ontario SFL holders are required to comply with the “Forest Management Guidelines for the Protection of the Physical Environment” which include provisions for the protection of soils and sensitive sites.</p>
<p>6.3.8 In partial cuts in natural forests, harvesting (whether during normal operations or salvage following a natural disturbance) and other stand management activities leave residual structures in sufficient quantity and distribution for them to serve their ecological functions. Precise objectives for different structural components are determined and documented, and include the following considerations: diversity of vertical and horizontal structure and tree pattern relevant to the site; wildlife habitat; and woody debris</p>	<p>C</p>	<p>Certified tree markers are provided direction through Ontario’s “Tree Marking Guide” which endorses awareness of significant ecological traits such as shade tolerance, seed periodicity, response to release, etc., and understanding how to take advantage of those adaptations during a treemarking program. Treemarking objectives include a broad range of considerations and are consistent with those specified in this indicator. Partial cutting systems on the Nipissing Forest use only certified treemarkers to mark trees for retention or harvest prior to the completion of harvesting activities.</p>
<p>6.3.9 In clearcuts and other final removal cuts in natural forests, harvesting maintains residual structures in sufficient quantities and distribution so as to fulfill their ecological functions. Specific ranges for the various structural components are described in the forest management plan, consistent with the requirements below, and are implemented.</p> <ul style="list-style-type: none"> • Post harvest residual includes patches or clumps of trees and individual trees and/or patches. • Residual retention includes all standing residual structure in a defined and mapped harvest area, including insular patches, peninsular patches, partial harvest areas and reserves established for other purposes. • Residual structure consists of a mix of dispersed trees and/or a range of patch sizes adapted to the size of the cutblock. Residuals are well distributed at all scales throughout the harvest area. Where the harvest area is an aggregation of smaller cutblocks, residual trees and patches shall be well distributed within the small cutblocks as well as between or among them. • All residual retention is long term, meaning it will not be harvested until at least the subsequent rotation. • The amount of residual structure retained in harvest operations will approximate levels of expected natural post-disturbance residual identified in 6.1.3. • In small harvest blocks (i.e. 5-20ha) where there is abundant residual forest in the form of harvest block separators, peninsulas, riparian or other types of reserves, or stands harvested under one of the partial cut systems in the surrounding area, residual structure of 25 to 30 individual trees per hectare should be retained within the clearcut harvest area, based on the managers’ goals related to wildlife habitat and ecological characteristics. <p><i>Means of verification:</i> Maps and aerial photographs of harvested areas. Relevant training material used in courses or by harvest and site preparation Field reconnaissance.</p>	<p>C</p>	<p>NDPEG requirements include the requirements as identified in this indicator. Results of implementation of NDPEG was witnessed during the field examination on all sites including islands and peninsular of residual trees,. As well, NFRM provided supplemental aerial photography of the harvested blocks, providing further evidence of adherence to NDPEG.</p> <p>NDPEG requirements also include retention of a minimum of 25 trees per hectare after harvest. During the field audit adherence to this requirement was viewed at all stops.</p>
<p>6.3.10 Forest roads, skid trails and landings are well planned and designed to minimise soil erosion and loss of productive area. Forest roads, landings and skid trails are designed to: reduce soil and road embankment erosion, soil compaction and rutting, minimise water crossings and loss of productive area;</p>	<p>C</p>	<p>In general, requirements of this indicator were seen to be well executed although a few site-specific problems were noted and addressed through issuing of two correction actions.</p> <p>Water crossing were planned and installed well with no encroachments into accompanying AOCs.</p>

<p>minimize loss of site productivity; and ensure the protection of aquatic habitat quality during construction and use.</p> <p><i>Means of verification:</i> Proof of implementation of standards/practices, assessed in the field Use of waterbars on steep slopes and/or switchbacks Knowledge by the field workers of the standards/practices, assessed through interviews Rate and severity of non-compliances</p>		<p>Discussions were held with various staff members who attended the field audit regarding their knowledge of the standards of practice in field. Staff were all found to be knowledgeable with the associated provincial guidelines and standards.</p> <p>Review of compliance reporting showed that the rate and severity of non-compliances was low. The primary reasons for non-compliances were not associated with field practices.</p> <p>CAR 2008.1 and CAR 2008.2</p>
<p>6.3.11 Rutting related site damage and damage to residual trees (crown, trunks and roots) does not exceed provincial acceptable levels.</p>	C	<p>Rutting related site damage was found to be acceptable with the exception of one site for which a site-specific corrective action was developed. In selection and shelterwood harvests, damage to residual trees was low. In several instances damage was exceptionally low.</p> <p>CAR 2008.1</p>
<p>6.3.12 Harvest plans schedule operations on damage prone sites to periods of the year when risks are minimized.</p>		
<p>6.3.13 Where mechanical site preparation is adopted it keeps to a minimum soil compaction, erosion and organic nutrient displacement. The top organic layer and the underlying mineral soil are mixed rather than the organic layer removed (may vary depending on the targeted regeneration, expected competition and availability of herbicides as a treatment option).</p>	C	<p>Mechanical site preparation was examined on several audit stops. Standard practice for mechanical site preparation involved the dragging off small anchor chains with a small skidder. Desired levels of mineral soils exposure was achieved without adverse impacts to the site.</p>
<p>6.3.14 In natural forests regeneration efforts should emulate natural processes such as natural regeneration, direct seeding, and use local seed sources.</p>	C	<p>Where present desired future forest units were consistent with natural regeneration, this treatment was followed. In cases where artificial regeneration was required through tree planting, local seed sources had been used for seedling production.</p>
<p>6.3.15 Regeneration occurs in a timely fashion, and consistent with successional objectives as outlined in 6.3.1.</p>	C	<p>Several audit stops were examined for consistency with the successional objectives (FMP SGRs) and effectiveness of treatments in meeting the objectives. Silviculture work was found to follow operations within one year of completion of completion of harvesting.</p>
<p>C6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</p>	C	
<p>Protected Areas Protected Areas are defined in this standard as areas protected by legislation, regulation, or land-use policy to control human occupancy or activity. Protected areas therefore can only be created by government and their establishment includes consideration of factors that are outside the scope of FSC certification. However, it is the intent of this Criterion to ensure that forest managers act within their sphere of influence to support the efforts by government to complete a network of representative protected areas; at the very least by taking steps to avoid diminishing future options for establishing protected areas. In this standard we use the term “candidate protected area” to identify areas that are identified by the manager and validated by external review as having the potential to contribute towards the completion of a network of representative protected areas.</p>		
<p>6.4.1 The manager shall identify potential gaps in the representative completeness of protected areas in the appropriate ecological unit(s) (ecoregions, ecodistricts, natural regions) contained on the management unit, using the best available tools and information, such as but not necessarily</p>	C	<p>Ontario Parks has completed and provided the GAP Analysis for the Nipissing Forest and the adjacent Sudbury Forest. There is a current proposal from the NFRM and VFM for lands to fill some of the identified gaps. There is a 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</p>

<p>limited to:</p> <p>land cover gap analysis; and enduring features gap analysis.</p> <p>There are a number of tools currently available that can be used to carry out a gap analysis, including the WWF-Canada Assessment of Representation (AoR) Gap Analysis Tool and the Ontario Ministry of Natural Resources Gap Tool. The analysis should extend to the full area of all ecological units contained on the management unit, so that protected areas in the ecological unit but outside of the management unit should be considered.</p>		<p>intensive forest types, such as red pine plantations, as gaps. This needs to be reviewed. Some areas identified in the analysis have been set aside by NFRM from inclusion 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 until final resolution is determined. NFRM has worked closely with Ontario Parks and the MNR to encourage the completion of the analysis and now for the establishment of newly protected areas based upon the factors listed in 6.4.2, 6.4.3, 6.4.4, and 6.4.5.</p>
<p>6.4.2 Where there are identified gaps, the manager shall use the gap analysis and consideration of elements such as representativeness, connectivity, integrity, forest age, rare ecosystems, the results of the HCVF analysis in 9.1 and other available analyses to determine and map the location and size of candidate protected areas.</p>	C	See comments under 6.4.1.
<p>6.4.3 The manager shall engage and cooperate with interested parties (e.g. ENGOs, Aboriginal communities) and qualified experts in carrying out the gap analysis and identifying candidate protected areas.</p>	C	See comments under 6.4.1.
<p>6.4.4 Interested parties should generally be in favour of the conclusions of the gap analysis regarding the identification and contribution of candidate protected areas.</p>	C	See comments under 6.4.1.
<p>6.4.5 The manager should act within its sphere of influence to encourage interim and long term recognition of candidate protected areas.</p>	C	See comments under 6.4.1.
<p>6.4.6 The manager shall not undertake forest management activities, including harvesting, silviculture and road in protected and candidate protected areas.</p>	C	See comments under 6.4.1.
<p>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.</p>	C	
<p>6.5.1 The manager has and is implementing Standard Operating Procedures that cover at a minimum the harvesting and silvicultural requirements in 6.3 that relate to erosion control and minimizing forest damage.</p>	C	<p>Operations on the Nipissing Forest follow those described in the 2004 FMP. Discussions in the text of the plan indicate the various provincial regulatory and guidelines sources that provide direction for all items listed in this indicator. These sources serve as Standard Operating procedures on the Nipissing Forest.</p> <p>The 2004 FMP for the Nipissing Forest includes a “Monitoring and Assessment” section which describes the various components of monitoring that are to occur on the Forest. Included therein as a compliance monitoring discussion that explains how operational compliance is to be monitored. Monitoring of every field operation is completed at various stages and reports of compliance monitoring results are submitted to the MNR. Monitoring of all harvesting and silviculture operations occurs, covering a range of topic areas including site damage. Evidence of this ongoing monitoring program was provided to the auditors.</p>
<p>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 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</p>	C	

to minimize health and environmental risks.		
<p>6.6.1 Chemical Pesticides identified by FSC as highly hazardous pesticides (see Annex x) or where prohibited by law are not used.</p> <p><i>Means of verification:</i> Company policy identifying prohibited chemicals/pesticides. Records of pesticide application.</p>	C	A complete list of all the chemicals applied on the Nipissing Forest has been provided and none of the chemicals identified by FSC as highly hazardous have been utilized.
<p>6.6.2 The manager should collaborate in the development and implementation of an integrated pest management programme, an aspect of which aims at avoiding the use of chemical pesticides.</p>	C	Silvicultural techniques have been utilized by the NFRM for pest management in the past. There is currently spruce budworm and jack pine budworm activity on the forest, which is closely monitored for trends and to plan salvage operations. The Province has considered implementation of direct control; however, this has not been planned to date. White pine blister rust is also present on the forest and is monitored in stands of white pine. Competitive vegetation is managed utilizing a combination of herbicides, silvicultural techniques, and mechanical methods.
<p>6.6.3 The manager shall use chemical pesticides only when non-chemical products are not available, ineffective to attain the silvicultural objectives, cost-prohibitive or inadequate in light of risks and environmental and social benefits. Furthermore, chemical pesticides shall only be used when their use is essential to attain the following silvicultural objectives:</p> <ul style="list-style-type: none"> • The regeneration or restoration of non-forest lands; or • The regeneration of challenging species (e.g. Oak or White Pine); • The control of invasive exotic species; or • To control major insect outbreaks. <p>The rationale for each chemical pesticide use is documented and publicly available.</p>	C	A complete summary of herbicide utilization for the past five years was provided in response to CAR 2007.7. The use pattern shows that most of the pesticide application was for establishment of red and white pine or red oak. There were a total of 5,327 ha treated with herbicides over the past five years and over 4,700 ha or approximately 89 percent of the treatments were for red and white pine and red oak restoration efforts. No herbicides were utilized on invasive exotic plants. No chemicals were utilized for insect control. In addition, NFRM is continually looking at options to herbicide use for site preparation. Methods observed in the field audit included brush saw work, Bracke site preparation, chains, trenching, and manual tending. In addition the regeneration assessment process provides a way of reviewing the successful methods and to make better plans for site preparation.
<p>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.</p>		
<p>6.7.1 Standard Operating Procedures (SOPs) are in place and implemented regarding safe handling and disposal of chemicals, liquid and solid non-organic wastes including fuel and oil. These SOP's reflect best management practices and at minimum ensure compliance with all regulatory guidelines.</p>	C	NFRM's Policy #010 "Pesticide Use (Insecticides and Herbicides)" and Policy #009 "Reducing Waste, Recycling, and Proper Waste Disposal" deal with this indicator. Further, provincial regulations address safe handling and disposal of chemicals, liquid and solid non-organic wastes including fuel and oil.
<p>6.7.2 A recycling program is in place for used oil and plastic containers.</p> <p><i>Means of verification:</i> Written standards/practices on waste management Field inspections of waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>	C	<p>NFRM does not in itself own or operate heavy equipment. All heavy equipment operations are performed by overlapping licensees and silviculture contractors.</p> <p>NFRM has a waste reduction, recycling, and biodegradable product, policy.</p>
<p>6.7.3 In the event of a hazardous product spill, the manager shall immediately contain the product, notify the appropriate authorities, and begin cleanup and product elimination with the assistance of qualified personnel.</p> <p><i>Means of verification:</i> Written standards/practices on hazardous waste management Field inspections of hazardous waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>	C	Provincial regulations and policies aggressively address the use and disposal of hazardous products. All operators and applicators must be licensed to work on the forest and all are trained in the proper disposal of chemicals and other non-organic wastes. NFRM has procedures in place for dealing with leaks, spills, and accidents potentially causing contamination.
<p>6.7.4 Leaking equipment is repaired or taken out of the forest. Recovered material is taken to a designated disposal site.</p>	C	Interviews with several operators included discussions of equipment leaks and oil spill containment. Leaks were said to be repaired immediately. Oil spill containment kits were present on equipment.

<p><i>Means of verification:</i> Written standards/practices on waste management Field inspections of waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>		
<p>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.</p>	C	
<p>6.8.1 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.</p> <p><i>Means of verification:</i> records of application of biological control agents. forest protection plans. documented rationale for the use of biological control agents.</p>	C	No biological control agents have been utilized on the Nipissing Forest.
<p>6.8.2 Genetically modified organisms are not used.</p>	C	No GMO's have been utilized on the Nipissing Forest.
<p>C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</p>	C	
<p>6.9.1 The use of exotic species, in plantations or otherwise, shall be justified and monitored for adverse environmental impacts. Only species known to be non-invasive are to be used.</p> <p><i>Means of verification:</i> Description and records of areas where exotic species are planted Inspection of exotic species plantations Results of monitoring measures</p>	C	No exotic species have been planted on the Nipissing Forest.
<p>Hybrids Hybrids derived from at least one exotic species are considered exotic species. Hybrids are typically sterile, and hence non-invasive. Hybridization does not constitute genetic modification of the sort referred to in FSC's definition of Genetically Modified Organisms.</p>	C	No hybrids from exotic species have been planted. Tree improvement programs utilizing traditional crossing methods are utilized for seed sources.
<p>C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: 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.</p>	C	NFRM has not converted any forest lands to plantations or non-forest land uses. Some forest conversion has taken place through approved LUP's on the forest. The MNR administers the LUP's on the forest. Examples include access roads for mining operations and mining operations.
<p>6.10.1 Forest conversion to plantations from the time of initial FSC certification shall not exceed 5% of the productive forest area.</p>	C	No conversions to plantations have occurred since the initial certification of NFRM in 2003.
<p>6.10.2 Forest conversion to plantations or non-forest land uses (except roads required for access) do not occur on High Conservation Value Forest (HCVF) areas.</p>	C	No conversions to plantation or non-forest uses have been done by NFRM. Some approved conversions to non-forest uses have occurred with the approval of the MNR. No HCV's have been converted.
<p>6.10.3 Where forest conversion to plantations or non-forest uses takes place the manager demonstrates the conservation benefits across the landscape.</p> <p><i>Means of verification:</i> Evaluation of the conservation and social impacts and benefits of conversion</p>	C	See comments in 6.10.1 and 6.10.2.

Comparison with any candidate protected areas identified as per 6.4		
6.10.4 Management actions are undertaken to convert all non-forest areas (landings, road, gravel pits, etc.) back to forest once the non-forest use has ceased. <i>Means of verification:</i> Documented plans related to re-establishment of forest cover in non-forest areas. Field inspection of re-establishment efforts.	C	Many examples of the management activities to put landings, roads, and abandoned gravel pits back to forest were observed in the field audit stops.
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.		
C7.1. The management plan and supporting documents shall provide: 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. 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. 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.	C	
7.1.1 The management plan and supporting documents shall provide information on the elements listed in Annex X.	C	The 2004 FMP includes information on the elements as required.
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.	C	
7.2.1 The management plan shall be revised at least every 10 years to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.	C	Ontario's forest management planning system involves planning to be performed at regular intervals – five years for plans prior to 2007 and 10 years for plans since. These plans have requirements that address all items in this indicator, as well as other new developments put forth by the MNR. The Nipissing Forest 2004 FMP was developed in accordance with the 1996 FMPM. The 2009 FMP is in the process of being developed following the 2004 FMPM direction.
C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans. <u>Employees and Forest Workers Definitions</u> Employee: Anyone who is on the payroll of the manager, in a full-time, part-time or seasonal capacity, for whom the manager withholds and remits taxes in accordance with federal and provincial laws. Forest worker: All employees as defined above, as well as self-employed contractors, the employees of contractors or the employees of other companies whose activities (e.g. planning, road-building, thinning, harvesting, hauling, etc) contribute directly to the delivery of wood to the manager that will be included in the scope of the FSC certificate.	C	

<p>7.3.1 The applicant ensures that forest workers receive adequate training to ensure they meet this standard's requirements. Training is tailored to their roles and responsibilities. Training material and courses address the following topics, among others: How to avoid damage to the environment, in particular to residual stands, streams, and sites of cultural significance Assessment of log quality and destination Appropriate implementation of the management plan The relevant sections of international agreements (see Criterion 1.3) Health and safety requirements Implementation of ecosystem-based management (e.g. harvesting and site preparation) Use and handling of pesticides Identify species at risk and other species listed in 6.2.1</p> <p><i>Means of verification:</i> Attendance register of training events Training program and content of training material Interviews with employees and contractors</p>	C	<p>The NFRM staff has extensive training in many areas related to meeting the standard's requirements. Training records for each of the NFRM Staff were provided to the audit team for review and verification. Each of the staff have attended several relevant training programs per year.</p> <p>NFRM participates in training put on by others as presenters, when the opportunity exists. NFRM host contractor training programs for the contractors and operators on the Nipissing Forest. These include sessions on compliance, logging damage, water crossing installation, AOC's, marking, silvicultural effectiveness, regeneration, contractor training requirements, aggregate pit requirements, health and safety requirements for employees, and other topics that change from year-to-year to adjust for the past year's activity and problem areas.</p>
<p>7.3.2 Forest workers are encouraged to promptly report to the manager any situations that may conflict with the implementation of the management plan, with the FSC standard or with regulations. Forest workers are not penalized by the manager for reporting such situations.</p>	C	<p>Compliance reporting is a requirement of the SFL. The large number of compliance reports during the course of the year and the reporting on non-compliance by NFRM staff and by operators on the forest provide evidence that the work in the forest is closely reviewed for compliance with provincial regulations and FSC standards. The entire compliance record for the 2007-08 year and the compliance reports FOIR's for all sites visited in the field audit were reviewed by the audit team. No punitive actions were detected for staff or operator reports of non-compliance.</p>
<p>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.</p>	C	
<p>7.4.1 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"> • Confidential information on traditional land use activities and cultural values; • Information about certain values, that if made available could pose a threat to the existence, conservation, health or integrity of those values; • Existing confidentiality agreements that may restrict information sharing; • 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 • Information that would affect the applicant's competitiveness (e.g. costs, revenues, etc.). 	C	<p>Copies of the complete 2004 FMP are available at the North Bay District MNR Office, the MNR North East Region Office in Timmins and the NFRM office. Online access to a summary of the management plan is provided by NFRM at http://www.nipissingforest.com/downloads/final_fmp_summary.pdf.</p>
<p>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.</p>		
<p>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.</p>	C	

<p>8.1.1 The management plan's implementation is subject to regular monitoring that documents:</p> <ul style="list-style-type: none"> The degree in which goals, objectives and targets were met <p>Conformance to the management plan Unexpected effects of management activities; and Social and environmental effects of management activities</p>	C	<p>Regular monitoring is accomplished through several means. First, site specific monitoring is accomplished in the performance of compliance monitoring as described in 6.5.1. Annually the SFL submits Annual Reports to the MNR which include reports of activities during the year. These Annual Reports formulate the basis for the development of the Report of Past Forest Operations (RPFO) every five years, also by the SFL holder. The RPFO includes discussions of these points.</p> <p>Most importantly, every SFL undergoes an Independent Forest Audit (IFA) once every five years as specified in the Crown Forest Sustainability Act. The IFA is performed by a team of qualified auditors, each of which has no conflict of interest in completing the audit and covers a term of five years. Included as components of the IFA are all of the requirements of this indicator. The last IFA for the Nipissing Forest was for the term April 01, 2001 to March 31, 2006, see: http://www.mnr.gov.on.ca/243944.pdf</p>
<p>8.1.2 The monitoring program has been designed to see if the results of management activities conform to the stated objectives, and provide the information required to allow the necessary adaptations if the objectives are not met.</p>	C	See comments in 8.1.1
<p>8.1.3 The manager should have or be participating in the development of a system of sample plots, including permanent plots, and should use this information to measure forest condition and trends over time, including the impacts of forest management.</p>	C	NFRM participates in the development of several sampling initiatives including planting assessments, regeneration assessments and free-to-grow surveys. This information is included is used to measure forest condition and trends over time and is considered in the RPFO and IFA report to assess impacts of forest management.
<p>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 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.</p>	C	
<p>Yield of all forest products harvested</p> <p>8.2.1 The manager monitors timber harvest volumes by species and product.</p>	C	NFRM prepares Annual Reports which includes reporting of timber harvest volumes by species for all parties on the Nipissing Forest for the period April 01 to March 31.
<p>8.2.2 The manager has assembled readily available information about the harvest of timber by parties other than themselves on the managed forest unit.</p> <p><i>Means of verification:</i> Information (i.e. volume harvested by species, location of harvest) related to the timber harvests of overlapping licensees, third parties, independent operators, and any others who conduct harvest operations in the forest.</p>	C	See comments in 8.2.1
<p>Growth Rates, Regeneration, and Condition of the Forest</p> <p>8.2.3 The manager monitors growth rates, regeneration and condition of the forest, including but not necessarily limited to forest health, disturbance, and age class structure.</p>	C	See comments in 8.1.1
<p>Changes in Flora and Fauna</p> <p>8.2.4 The manager conducts regular monitoring of the forest in order to highlight changes to important habitat characteristics.</p>	C	See comments in 8.1.1. RPFOs and IFA reports include monitoring of habitat characteristics.
<p>Environmental Impacts</p> <p>8.2.5 The manager monitors environmental impacts of forest management activities assessed in accordance with</p>	C	See comments in 8.1.1.

Criterion 6.1.		
8.2.6 The manager sets up and implements, or participates in, a program to monitor the status of the applicable High Conservation Values as identified in 9.1 following the manager's activities in or adjacent to those High Conservation Value Forests, including the effectiveness of the measures employed for their maintenance or restoration. <i>Means of verification:</i> Documented HCV monitoring program.	C	HCV protection measures are implemented through AOC prescriptions in the forest management planning process and performance of harvesting operations are required to be in accordance with the FMP . Monitoring of AOCs is done through compliance monitoring and depletions mapping to ensure that harvesting activities are implemented only within areas so designated. See also comments in 9.1.1.
8.2.7 When monitoring results indicate increasing risk to a specific conservation attribute, the manager re-evaluates the measures taken to maintain or enhance that attribute, and adjusts the management measures to reverse the trend. <i>Means of verification:</i> Results of monitoring program.	C	All AOC prescriptions are re-evaluated in the development of each new forest management plan. For example, the 2004 FMP included moose late wintering habitat and the AOCs for the developing 2009 FMP include critical thermal cover for moose which cover both winter and summer concerns.
Impacts on Cultural Values and Resources 8.2.8 The manager monitors the impacts of forest management activities on cultural values, resources and uses.		See comments in 8.1.1. RPFs and IFA reports include discussions of meeting FMP objectives related to this indicator.
Economics 8.2.9 The manager monitors the costs, productivity and efficiency of forest management activities, consistent with Criterion 5.1.		See comments in 5.1.1. Annual reports include reporting of revenues and silviculture expenditures.
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."	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	It is a legal requirement that all wood harvested from Crown land in Ontario is transported using the scaling and billing system of the MNR. This system includes paper work in the form of a bill of lading prepared at the loading site by the loader operator. Copies of this bill of lading then are kept by the transporter, the receiving facility and the MNR, thereby ensuring that the source of all products can be identified. See also comments in section 1.3 Chain of Custody Certification.
C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.	C	
8.4.1 The results of monitoring shall be incorporated into the implementation and revision of the management plan in accordance with the requirements of 7.2.1.	C	See comments in 7.2.1.
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.	C	
8.5.1 The results of monitoring activities are regularly compiled. For public lands, a summary report is available to the public.	C	Annual reports are made available for public inspection at the appropriate MNR district or area office, and the office of the sustainable forest licensee (2004 FMPM; page E-19). As well, online provisions of Tables AR-12 http://www.web2.mnr.gov.on.ca/mnr/forests/public/compliance/AR_12_05_06/2005/en/58978-1.html and AR-13 http://www.web2.mnr.gov.on.ca/mnr/forests/public/compliance/AR_12_05_06/2005/en/58978-2.html of the Annual Reports, are made to show the results of annual forest operations inspections on the Nipissing Forest by all parties including the MNR.
P9 Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.		
C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be	C	

<p>completed, appropriate to scale and intensity of forest management.</p>		
<p>9.1.1 The manager undertakes efforts to, or makes use of existing efforts to, identify and map the presence of HCVFs by means of a process that meets the characteristics and intent of the assessment process in Appendix x. <i>Means of verification :</i> Documented procedures used to identify and map HCVFs and related values Results of assessment processes – documents, maps, etc. Interviews with those involved in identification process.</p>	C	<p>The Nipissing Forest had an HCV report prepared and adopted in August 2007. This report has been reviewed in past annual audits and determined to be adequate to meet the intent of this standard. The process for identification of values was presented in the HCV report. The values have been mapped and when there are operations in the area of an HCV, the HCV is identified on the ground and the appropriate protection measures are completed. Evidence the application of protections was observed several times in operations during the field audit. The audit team was given maps of the HCV values for review in the audit. Clearly the information in the HCV report has been integrated into the dataset utilized for forest operations planning. The consultant who prepared the report has been interviewed by the members of the audit team in the past, although not during the current recertification audit, since no change had been made in the report since the last conversations.</p>
<p>9.1.2 The manager ensures that a credible external review is undertaken of the HCVF assessment.</p>	C	<p>The LCC has been presented with the HCV report to review. The review is planned for the 2009 FMP process, although that has not actually taken place at the time of this audit. The HCV report was reviewed by NGO's as part of the process. CAR 2008.3</p>
<p>9.1.3 The HCVF assessment shall be made publicly available, including associated maps (subject to confidentiality considerations) as well as a summary of how concerns raised during the consultation and review process have been addressed. Factors that may limit the public availability of information include the ownership of that information by other parties as well as the need in some circumstances to withhold site-specific information in order to protect the value.</p>		<p>The HCV report is available on the Nipissing Forest website for download. Anyone who has an interest has access to the report through the website at http://www.nipissingforest.com/fsc/fsc.htm Concerns raised during the consultation were incorporated into the August 2007 version of the HCV report. Further review will take place as part of the process for the preparation of the 2009 FMP. The concerns raised and the way they are addressed will be part of the review of the 2009 annual audit. CAR 2008.3</p>
<p>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</p>		
<p>9.2.1 The manager shall consult with directly affected persons, qualified specialists and Aboriginals on the identification of the High Conservation Values and the management options thereof.</p>		<p>During the annual audit in 2007 the audit team recognized that the stakeholder consultative process for HCV's had not been completed. Discussions with NFRM indicated that the first opportunity for this consultation would take place during the 2009 FMP process. Discussions during the 2008 recertification audit with four First Nations and other stakeholders indicated that NFRM has not consulted with them directly regarding the identification specifically of HCVs and the management options thereof. NFRM agreed with the finding. It is important to note that this criterion did not form part of the GLSL standard prior to this audit. NFRM was to incorporate this consultation with the consultation process implemented for the development of the 2009 plan. CAR 2008.3</p>
<p>9.2.2 On public forests the manager should take steps to encourage ongoing and constructive engagement with interested parties in the identification of High Conservation Values and the management options thereof, where the interest, commitment and capacity for such constructive engagement exists. <i>Means of verification:</i> Record of draft information shared with interested parties (NGOs, Aboriginal communities, etc) Record of agreements or understandings reached with interested parties in which there is a shared responsibility for constructive engagement.</p>		<p>The identification, protection and confidentiality of values are addressed in the Forest Management Plan, but there is nothing specific to High Conservation Values. The HCV report is available on the Nipissing Forest website for download. Anyone who has an interest has access to the report through the website at http://www.nipissingforest.com/fsc/fsc.htm</p>

<p>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.</p>		
<p>9.3.1 Areas designated as HCVF are managed over the long term in a way to ensure the quality of their attributes and their size are not diminished. <i>Means of verification :</i> Management plan and strategies related to HCVFs.</p>	C	A precautionary approach to management of HCV's has been outlined in the HCV report and in the application of the protection measures during operations. This is evidenced from the protection, guidelines and monitoring outlined in the HCV report. Evidence of the implementation during operations was observed for HCV values including heron rookeries, deer wintering areas, moose aquatic feeding habitat, and the Ottawa River.
<p>9.3.2 When a High Conservation Value extends beyond property or forest management unit boundaries under the manager's responsibilities, or when the maintenance of a conservation value depends on the proximity or connectivity with other HCVFs, the manager coordinates its conservation efforts with those of the neighbouring HCVF landowners/managers. <i>Means of verification</i> Correspondence with managers of adjacent lands. Portions of management plan dealing with management of adjacent lands.</p>	C	Compliance with this standard is evident in the operations and proposals by NFRM. They have worked closely with the Sudbury Forest and with Ontario Parks to assure that the HCV values in areas of the forest boundary are protected. These areas are clearly identified on the map sets available and HCV areas are identified on maps included in the AWS. This provides for awareness of the value in the planning of the operations and for the proper establishment of protection during operations. Examples of boundary HCV's were reviewed in the Ottawa River Park boundary area. The Nipissing Forest along with all the other SFLs in the province are participating in a regional HCV process to assure that values that have overlapping management authority are protected. This is being done in cooperation with WWF and the Nature Conservancy.
<p>9.3.3 The manager 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: Will create conditions with a very high probability of securing the long-term maintenance or the restoration of the applicable conservation attribute; Are being implemented; and Are proving effective (or are adapted as required) based on the results of monitoring. <i>Means of verification :</i> Documentation of management strategies and those portions addressing the above points.</p>	C	The management strategies and protection measures employed are those that are included in the HCV report and they consistently meet or exceed the provincial standards for the values protected. These have been reviewed as part of the HCV report consultation and will be reviewed additionally during the 2009 FMP process. AS new standards are included in provincial guidelines, the protection measures are modified to meet or exceed the level of protection required in the province. The resources that are protected during the operations are monitored to ascertain that they have been protected during the operations as part of the compliance inspection process.
<p>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</p>	C	
<p>See 8.2.6 and 8.2.7.</p>	C	Compliance monitoring during operations has been utilized to assure that the protective measures are applied on the ground and the effectiveness of protection measures. The field operations are also constantly providing new information on HCV values that have not been previously identified in the forest. For example a new heron rookery was identified during the marking process on one of the field audit stops. As a result the heron rookery protection measures were applied and observed during the operations and the value was added to the data set for including in the map sets and in future AWS and FOP processes. Regular updates of endangered species with high probability of occurrence on adjacent to lands managed as part of Nipissing Forest are received and reviewed. New species that must be monitored are then included in training for tree markers and other forest workers who may have an opportunity to observe and identify the species as part of forest operations. This helps to assure that such species are found and protected during operations.

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. The individuals in the following table were contacted directly during the course of the audit.

Name & Affiliation	Address	Phone/Fax/Email	Comments
Nicole Seguin Operations Supervisor Goulard Lumber (1971) Limited	Box 730 Sturgeon Falls, ON P0H 2G0	Tel. 705-753-2220	Participated in field audits and added comments as part of the review of operations on several Goulard Blocks. Detailed comments
Clayton Goulay Nipissing First Nations Nbisiing Forestry Inc. Board of Directors of Nipissing Forest representing First Nations (Observer Capacity)	36 Semo Road Garden Village, ON P2B 3K2	Tel. 705-753-2922 Fax. 705-753-5762 claytong@nfn.ca	Participated in field audits and added comments as part of the review of operations on Nipissing First Nations Blocks. Commented that he was enjoying serving on the Board of Directors and found the meetings very interesting.
Claude Goulard Goulard Lumber (1971) Limited Shareholder	Box 730 Sturgeon Falls, ON P0H 2G0	Tel. 705-753-2220 Fax. 705-753-4588 goulardlbr@on.aibn.com	Participated in field audits and added comments as part of the review of operations on several Goulard Blocks. Holds about 12 percent of allocation. Has been in logging for his entire life. Cuts on his own allocation and for Grant and Nipissing First Nation. Market conditions are very tough.
Jean and Gerard Liard Independent logger	RR #6 Pembroke, ON KBA 6W7	Tel. 613-687-0727 behnkelog@on.aibn.com	Interviewed as part of the field audit. The two brothers took over their father's allocation of approximately 0.5%. They have a good relationship with NFRM. They attend courses put on by the MNR and by NFRM. They have been operating for 27 and 25 years respectively and would like a larger share of the allocation. They talk to their representative on the board, Blayne Behnke, about the issues.
Gordon Mitchell Island Lake Camp	Box 27 Field, ON P0H 1M0	Tel. 705-753-1976, Jan- April 705-495-9252 islandlakecamp@xplorne t.com	Interviewed on the field audit. He operates a hunting and fishing camp and has a signed RSA with NFRM. He operates from May through October. His main issues were with bear areas and with road maintenance. NFRM has been very good to work with and have agreed to modification requested. He sits on the Board of NOTO and has heard horror

Name & Affiliation	Address	Phone/Fax/Email	Comments
			stories from outfitters in other areas.
Tracey Cain LCC member	850 Widdifield Station Road RR #1 North Bay ON P1B 8G2	Tel. 705-495-6126 Fax. 705-495-4771 Email: tcm@efni.com	Attended the LCC meeting attended as part of the audit and also participated in a portion of the field audit. Talked with her at length about cottage lakes AOCs and Restoule Road issue. Mostly she was wanting to learn more about the issues rather than expressing a strong opinion about the issues.
John McNutt, Forester Tembec Industries Inc.	RR #2 Mattawa, ON P0H 1V0	Tel. 705-744-5563 Fax. 705-744-5677 john.mcnutt@tembec.com	Participated in field audits and added comments as part of the review of operations on several TEMBEC Blocks and as a shareholder.
Andy Straughan Silvicultural contractor LCC Member	Lindsay's Hill Rd Trout Creek, ON P0H 2L0	Tel. 705-723-1108 lonogwoodforestry@hotmail.com	Participated in field audits and added comments as part of the review of operations on several Blocks. Attended LCC Meeting attended by the audit team.
Mike and Julie Shepard Lodge Owners/Operators			Forestry operations in the area of their lodge have a heavy negative impact on their operations and profitability. They have found NFRM and TEMBEC good to work with, although they do not feel the follow through has always provided the outcomes agreed upon. The relations and effectiveness are improving. They operate in an area of influence of about 500 sq km. They operate year round and provide hunting, fishing, ATV and snowmobiling services.
Rock Goulet Goulet Trucking Owner/Operator			Interviewed on field audit as part of the COC audit. Fuel costs are definitely affecting operations and profits. He was promised a 20% fuel bonus, but has not seen the bonus in his payments yet.
Gaston Fleury, Trucker Clouatre Transport			Interviewed during the field audit. Covered safety equipment and pay status. No issues determined.
Randy Morrison Nipissing Area Supervisor North Bay District, MNR	3301 Trout Lake Rd. North Bay, ON P1A 4L7	Tel. 705-475-5580 randy.morrison@ontario.ca	Interviewed in MNR Offices. Comments included in field audit notes.
Randy McLaren Forestry Tech Specialist Nipissing Area North Bay District, MNR	3301 Trout Lake Rd. North Bay, ON P1A 4L7	Tel. 705-475-5606 randy.mclaren@ontario.ca	Interviewed in MNR Offices and also received comments by email. Comments included in field audit notes.
Mary Lou McKeen, Planning and Information Management	3301 Trout Lake Rd. North Bay, ON P1A 4L7	Tel. 705-475-5597 marylou.mckeen@ontario.ca	Interviewed in MNR Offices. Comments included in field audit notes.

Name & Affiliation	Address	Phone/Fax/Email	Comments
Supervisor North Bay District, MNR			
Kim Groenendyk A/District Manager North Bay District, MNR	3301 Trout Lake Rd. North Bay, ON P1A 4L7	Tel. 705-475-5599 kim.groenendyk@ontario.ca	Interviewed in MNR Offices. Comments included in field audit notes.
Megan Smith Project Forester Science & Information, MNR	3301 Trout Lake Rd. North Bay, ON P1A 4L7	Tel. 705-475-5565 megan.smith@ontario.ca	Participated in field audit of Red Oak Research Area. Comments included in field stop notes.
Scott Spence Health and Safety Coordinator LaFrance Forestry Services		Tel. 705-544-8911	Participated in field audit at Grant Forest Products Block. Comments included in discussion of stop in field audit notes.
Todd Eastman Norhtern Ontario Tourist Outfitters Association (NOTO)	386 Algonquin Avenue North Bay, ON P1B 4W3	Tel. 705-472-5552 Fax. 705-472-0621 info@noto.net	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Richard Rowe Manager, Forestry & Fisheries Department Nipissing First Nation	36 Semo Road Garden Village, ON P2B 3K2	Tel. 705-753-2922 Fax. 705-753-0207 richardr@nfn.ca	Interviewed in person. Detailed comments included in auditor's interview notes in detailed observations section of report.
Doug Friday Forest Strategy Development Project Manager Temagami First Nation	General Delivery Bear Island, ON P0H 1C0	Tel. 705-237-8413 Fax. 705-237-8959 tfnforestry@onlink.net	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Dorothy & Albert Cloet Owners/Operators Beaverland Camp Tourism Outfitter	52 Beaverland Road Marten River, ON P0H 1T0	Tel. 705-892-2224 Fax. 705-892-2164 acloet@xplornet.com	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Angela Martin Owner/Operator Welcome Lodge Nipissing Ltd. Tourism Outfitter	496 Musky Island Road, RR #1 Lavigne, ON POH 1R0	Tel. 705-594-2745 welcome@ontera.net	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report
Frank Tagiamonte LCC Member representing Prospectors/Mining Industry	29 Beaver Crescent North Bay, ON P1A 3N1	Tel. 705-476-2985 Fax. 705-476-3561 geotag@vianet.ca	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Nancy Wice Assistant Manager Tornado's Canadian Resorts Tourism Outfitter	P.O. Box 26 Port Loring, ON P0H 1Y0	Tel. 705-757-2050 Fax. 705-757-3007 tcr@tornadosresorts.com	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Wayne Bell Forest Ecology	1235 Queen Street East	Tel. 705-946-7401 Fax. 705-946-2030	Contacted by email and response received by email. Detailed comments included in

Name & Affiliation	Address	Phone/Fax/Email	Comments
Research Scientist Ontario Forest Research Institute Ontario Ministry of Natural Resources	Sault Ste. Marie, ON P6A 2E5	wayne.bell@ontario.ca	auditor's interview notes in detailed observations section of report.
Tom Clouthier Owner, Hec Clouthier & Sons Inc. Shareholder	245 Golf Course Road Pembroke, ON K8A 7M1	Tel. 613-732-7487 Fax. 613-732-1517 hecclou@nrtco.net	Interviewed by phone. Detailed comments included in auditor's interview notes in detailed observations section of report.
Chief Denise Restoule Dokis First Nation	Dokis First Nation	Tel. 705-763-2200 ext. 226 Fax. 705-763-2087	Interviewed in person. Detailed comments included in auditor's interview notes in detailed observations section of report.
Patrick Restoule, Economic Development Officer Dokis Bay Indian Corporation Overlapping Licensee	Dokis First Nation	Tel. 705-763-2200 ext. 226 Fax. 705-763-2087 patrick.restoule@ontera. net	Interviewed in person. Detailed comments included in auditor's interview notes in detailed observations section of report.
Chief Dave Joannis Antoine Algonquin First Nation Overlapping Licensee	Hwy. 17 East, Box 770 Mattawa, ON P0H 1V0	Tel. 705-744-5695 Fax. 705-744-5695 djoannis@xplornet.com	Interviewed in person. Detailed comments included in auditor's interview notes in detailed observations section of report.
Michel Laliberte Forest Operations Technician Nipissing Forest Resource Management Inc.	P.O. Box 179 128 Lansdowne Ave. E. Callander, ON P0H 1H0	Tel. 705-752-5430 ext. 25 Fax. 705-752-5736 mlaliberte@nipissingfore st.com	Interviewed in the field. Detailed comments included in auditor's interview notes in detailed observations section of report.
James Snider GIS Analyst WWF-Canada	245 Eglinton Ave. East, Suite 410 Toronto, ON M4P 3J1	Tel. 416-489-4567 x7246 Fax. 416-489-3023 jsnider@wwfcanada.org	Contacted by email and response received by email. Detailed comments included in auditor's interview notes in detailed observations section of report.
Lloyd Anderson Nipissing Forest Local Citizens Committee Member representing access interests and anglers and hunters			Attended LCC Meeting attended by the audit team. Was contacted by phone for an interview during the week of the audit but no response received.
Jan Vandermeer Nipissing Forest Local Citizens Committee Member representing environmental interests			Was contacted by phone for an interview during the week of the audit but no response received.
Brennain Lloyd Northwatch	Box 282 North Bay ON P1B 8H2	Tel. 705-497-0373 Fax. 705-476-7060 nwatch@onlink.net	Contacted by email and phone, response received by NFRM and unavailable due to scheduling issues.
Norm Dokis North Bay District, MNR	3301 Trout Lake Rd. North Bay, ON	Tel. 705-475-5594 norm.dokis@ontario.ca	Contacted by phone, response received by email. Unable to schedule interview.

Name & Affiliation	Address	Phone/Fax/Email	Comments
	P1A 4L7		
Chief Clifford Bastien Jr. Mattawa North Bay Algonquin First Nation	318 Main St. P.O. Box 29 Mattawa, ON P0H 1V0	Tel. 705-744-3360 Fax. 705-744-3361 clifford.bastien@sympati co.ca	Contacted by phone and email. Received initial response indicating interest in an interview. Unable to schedule a time.
Gord Cumming Algonquin Forest Authority	222 Main Street West, Huntsville, ON P1H 1Y1	Tel. 705 789 9647 Fax. 705 789 3353 Gord.Cumming@algonq uinforestry.on.ca	Contacted by email. No response received.
Scott Jackson Ontario Forest Industries Association	20 Toronto Street, Suite 950 Toronto, ON M5C 2B8	Tel. 416-368-6188 Fax. 416-368-5445 sjackson@ofia.com	Contacted by email. No response received.
Dave Pearce Wildlands League			Contacted by email. No response received.
Jason Lalonde & Gary Dokis Union of Ontario Indians			Contacted by email. No response received.
Rod Davis Grant Forest Products Corp. Shareholder			Contacted by email. No response received.
Dwight Fryer R. Fryer Forest Products Limited Shareholder			Contacted by email. No response received.
Elwyn & Blayne Behnke Behnke Logging & Trucking (Petawawa) Limited			Contacted by email. No response received.
Richard Leech Canadian Wildlife Federation	350 Michael Cowpland Drive, Kanata ON K2M 2W1	Tel. 613-599-9594 info@cwf-fcf.org	Contacted by email. No response received.
Steven Friedrich Clear Lake Cottagers Assoc.	CCR (Nip#36) 360 Plouffe St., North Bay, ON P1B 9L5	Tel. 705-474-2270 steven.friedrich@cbf.gov .om.ca	Contacted by email. No response received.
Richard Brooks Earthroots	401 Richmond St West, Suite 410, Toronto, ON M5V 3A8	Tel. 416-599-0152 Fax. 416-652-3852 richard@earthroots.org	Contacted by email. No response received.
Jamie Board Loring Restoule Business Assoc.	Box 153, Port Loring, ON P0H 1Y0	Tel. 888-363-2827 boards1@enfi.com	Contacted by email. No response received.
Bill Steer Canadian Ecology Centre	P.O. Box 430, Mattawa, ON P0H 1V0	Tel. 705-744-1715 ext. 570 info@canadianecology.c	Contacted by email. No response received.

Name & Affiliation	Address	Phone/Fax/Email	Comments
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Jon Cutter Mid North Forest Industry Alliance	269 Pearce St, North Bay, ON P1C 1H3	Tel. 705-472-0751 Fax. 705-472-9539 cfc@efni.com	Contacted by email. No response received.
Anne Bell Wildlands League	410 Richmond St West, Suite 380, Toronto, ON M5V 3A8	Tel. 416-971-9453 Fax. 416-979-3155 bell@wildlandsleague.org	Contacted by email. No response received.
Steven Price World Wildlife Fund	245 Eglinton Ave East, Suite 410, Toronto, ON M4P 3J1	Tel. 416-489-4567 ext. 256 fprice@wwfcanada.org	Contacted by email. No response received.
Carla Grant Ontario Forest Association	200 Consumers Road, Suite 307, Toronto (North York) ON M2J 4R4	Tel. 416-493-4565 carlag@oforest.on.ca	Contacted by email. No response received.
Tom Clark		Tel. 705-645-2580 tc@muskoka.com	Contacted by email. No response received.
Arlin Hackman WWF Canada		Tel. 416-489-4567 ahackaman@wwfcanada.org	Contacted by email. No response received.
Rob Keen Forest Management Consultants		Tel. 705-789-370 rhkeen@vianet.on.ca	Contacted by email. No response received.
Bohdan Kowalyk		Tel. 416-233-7860 gkowalyk@aracnet.net	Contacted by email. No response received.
Gerald Kroes Tembec, Huntsville Division		Tel. 705-789-2371 gerald.kroes@tembec.com	Contacted by email. No response received.
Peter Schlieffenbaum Haliburton Forest and Wildlife Reserve		Tel. 705-754-2198 halforest@halhinet.on.ca	Contacted by email. No response received.
Barb Boysen		Tel. 613-269-3145 newleaf@storm.ca	Contacted by email. No response received.
Dave Deugo Ministry of Natural Resources		Tel. 705-646-5508 dgeugo@omnr.gov.on.ca	Contacted by email. No response received.
Andy Gordon University of Guelph		Tel. 519-824-4120 agordon@evbhort.uoguelph.ca	Contacted by email. No response received.
Mar Stabb		Tel. 613-623-8229 mark.stab@sympatico.ca	Contacted by email. No response received.
Dave Euler FSC Ontario Boreal Committee		Tel. 705-248-1494 birchpt@sympatico.ca	Contacted by email. No response received.
Dwayne Nashkawa Union of Ontario Indians		Tel. 705-497-9127 nasdwa@anishinabek.ca	Contacted by email. No response received.
Angus Dickie National Aboriginal Forestry Association		Tel. 613-233-5563 adickie@nafaforestry.org	Contacted by email. No response received.

Name & Affiliation	Address	Phone/Fax/Email	Comments
Deputy Grand Chief Raymond Ferris Nishawbe aski Nation		rferris@nan.on.ca	Contacted by email. No response received.
Terry Wilson Nishawbe aski Nation		twilson@non.on.ca	Contacted by email. No response received.
Joe Kuhn Treaty 3		Natural.resources@treaty3.ca	Contacted by email. No response received.
Peggy Smith Lakehead University		peggy.smith@lakeheadu.ca	Contacted by email. No response received.
Chris Henschel Wildlands League		chris@wildlandsleague.org	Contacted by email. No response received.
Louise Molly Earthroots		louise@earthroots.org	Contacted by email. No response received.
Gregor Beck Conservation and Science Federation of Ontario Naturalists		louise@earthroots.org	Contacted by email. No response received.

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.

3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable.

Economic Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> An independent operator would like a larger share of the allocation. They talk to their representative on the board, Blayne Behnke, about the issues. 	Allocations are determined by the MNR and can only be changed through them.
<ul style="list-style-type: none"> One truck driver indicated that fuel costs are definitely affecting operations and profits. He was promised a 20% fuel bonus, but has not seen the bonus in his payments yet. 	Drivers and trucking is not contracted by NFRM. NFRM should work with shareholders to make certain that economic packages are offered and paid.
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Social Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> Member of First Nations who serves on the Board of Directors commented that he was enjoying serving on the Board of Directors and found the meetings very interesting. 	None
<ul style="list-style-type: none"> An individual who operates a hunting and fishing camp and has a signed RSA with NFRM. He operates from May through October. His main issues were with bear areas and with road maintenance. NFRM has been very good to work with and have agreed to modification requested. 	This shows good responsiveness to requests from other interests on the part of NFRM.
<ul style="list-style-type: none"> A lodge operator indicated that forestry operations in the area of the lodge have a heavy negative impact on their operations and profitability. They have found NFRM and TEMBEC good to work with, although they do not feel the follow through has always provided the outcomes agreed upon. The relations and effectiveness are improving. 	NFRM needs to be certain that when mitigations are agreed to by parties, that the actions are followed up upon and done.

Environmental Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> An LCC member talked at length about cottage lakes AOCs and Restoule Road issue. Mostly this individual wanted to learn more about the issues rather than expressing a strong opinion about the issues. 	None
<ul style="list-style-type: none"> 	
<ul style="list-style-type: none"> 	

3.4 Controversial Issues

No notably controversial or difficult issues presented themselves during this surveillance audit. The audit team did look at the Restoule Road area, where the local community has expressed concerns at meetings over the use of the road. This issue could be significant in the future, if no alternatives for a haul route are located.

3.5 Changes in Certificate Scope

There were no changes in the scope of this certificate during the previous year. There was continuing 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.