

**Forest Management and Stump-to-Forest Gate Chain-of-Custody
Certification Evaluation Report for the:**

**Indiana State Forests
under the
Management of the
INDIANA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY**

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00099N**

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

Date of Field Audit: November 6-8, 2007

Date of Draft Report: February 14, 2008

Finalized: March 3, 2008

**Scientific Certification Systems
2200 Powell Street
Suite 725
Emeryville, CA 94608**

SCS Contact: Dave Wager, Program Director
dwager@scscertified.com

Client Contact: Jack Seifert- jseifert@dnr.IN.gov

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

1.0 GENERAL INFORMATION

1.1 BACKGROUND INFORMATION

- Source name: Indiana DNR- Division of Forestry
- Contact person: Jack Seifert
- Address: 402 W. Washington St, Rm W296, Indianapolis, IN
- Telephone: 317-232-4105
- E-mail: Jseifert@dnr.in.gov
- Certified products: Quercus rubra (White oak), Quercus rubra (Northern red oak), Quercus velutina (Black oak), Liriodendron tulipifera (yellow-poplar), Acer saccharum (Sugar maple), Carya spp (Hickory), and other merchantable spp.
- Number of Acres/hectares certified: 150,000 acres
- Biome: Temperate hardwood
- Tenure: Public

1.2 General Background

The 2007 annual audit was conducted by Dave Wager and Mike Ferrucci. The audit included an opening meeting with DoF Central Office staff, assessments of four State Forests, and an exit interview.

This report covers the first annual audit, following the 2007 certification, of the Division of Forestry. The audit was conducted pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in 2007 (SCS-FM/COC-00099N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. The full report of the initial evaluation is available on the SCS website.

http://www.scscertified.com/forestry/forest_certclients.html.

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

- A focused assessment of the status of any outstanding conditions or corrective action requests
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

At the time of the November 2007 annual audit, there were nine open Corrective Action Requests (CARs), only six of which were due at the 2007 audit. The status of DoF's response to those CARs was assessed as part of this annual audit (see discussion below for a listing of the CARs and their disposition as a result of this annual audit).

1.3 Guidelines/Standards Employed

For this annual audit, the SCS audit team evaluated the extent of conformance with the FSC Lake States and Central Hardwoods Standard, V. 3.0.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

The SCS audit team conducted the field portion of the annual audit November 6-8, 2007, including on-site inspections of field operations as well as interviews with DoF management and field personnel. In addition to the 6 person-days spent on-site, the audit team spent an additional 2 person days on audit planning, document review, stakeholder consultations, and other tasks related to the 2007 annual audit.

2.2 Assessment Personnel

For this annual audit, the team was comprised of Dave Wager and Mike Ferrucci:

Dave Wager, M.Sc. - Team Leader

Mr. Wager is Director of Forest Management Certification for SCS. During his 7 years as Director, Mr. Wager has overseen the day-to-day operations of the program and conducted Forest Management and Chain-of-Custody evaluations in the U.S. and internationally. Notable FSC full evaluations led by Mr. Wager include the state forests of Indiana, Minnesota, Pennsylvania, and Massachusetts; Fort Lewis Military Installation; the Wisconsin County Forests; KPKK in Terengganu, Malaysia, Perak ITC in Perak Malaysia, and Asahi Forests in Japan. In his role as Program Director, Mr. Wager oversees all first-time certification evaluations, annual audits, and contract renewal certifications on approximately 75 active clients. Mr. Wager has expertise in business and forest ecology (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University) and utilizes both in his position with SCS. While studying forest ecology at Utah State University, Mr. Wager was awarded a NASA Graduate Student Research Fellowship to

develop dendrochronological techniques to assess Douglas-fir growth in Utah's Central Wasatch Mountains.

Michael Ferrucci

Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 16 years. Its clients include private citizens, land trusts, municipalities, corporations, private water companies, and non-profit organizations. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies. Mike Ferrucci served as a team member on the 2003 Full Evaluation of Wisconsin State Forests

2.3 Assessment Process

The following general steps were undertaken as part of the 2007 audit:

- Review of full assessment report from 2007
- Review of information supplied by Indiana DoF
- Completion of the field audit
- Synthesis of findings, and judging performance relative to the FSC Lake States Standard
- Presentation of results
- Preparation of the written certification evaluation report, and this public summary

The field portion of the audit included a broad array of field sites designed to illustrate a cross-section of stand types and treatments, focusing on harvests and other site disturbing activities conducted within the last couple years. During the field audit, the SCS auditors engaged in extensive interviews with DoF staff and contractors.

DNR Staff and Contractor Interviewees:

Central Office

Carl Hauser	DoF Property Program Specialist
John Friedrich	DoF Program Specialist
AJ Ariens	DoF Forest Archaeologist
John Seifert	DoF State Forester
Tom Lyons	DoF Asst State Forester
Scott Haulton	DoF Wildlife Specialist

Owen Putnam State Forest

Bill Gallogly DoF Property Manager
Rob Duncan DoF Resource Specialist

Green-Sullivan State Forest

Steve Siscoe DoF Property Manager

Pike State Forest/Ferdinand State Forest

Doug Brown DoF Property Manager
Jamie Winner DoF Resource Specialist
Gretchen Herbaugh DoF Resource Specialist

Field Sites Visited

Tuesday November 6 - Owen Putnam State Forest

Site 1: C8, Tract 10 – Ongoing harvest 52 acres intermediate harvest (selective thin, improvement cut, some salvage); Eric Emerich Logging Supervisor has formal logger training
Site 2: C7, Tract 6 – 91-acre completed thinning

Wednesday November 7 - Greene-Sullivan State Forest

Site 1A: 3 chemical storage facilities and 1 shop
Site 1B: C4, Tract 2, Stand 1 – Thinning of planted stand on old surface mine
Site 2: C4, Tract 2, Stand 2 – Large opening, was leveled to smooth out mile tailings, will plant with black walnut, oaks, cherry, and others
Site 3: Dugger East Unit - Viewed prescribed fire to promote warm season grasses over woody shrubs; reviewed and discussed recreation, fishing, horseback riding, hunting
Site 4: Dugger West Unit- Dugger Releaf Demonstration Area - various trials including ripping to overcome severe compaction from mine restoration, late-season fertilization in nursery (nutrient loading) with fencing, other.
Site 5: C2, Tract 4 – Marked for thinning of planted stand on old surface mine: Tulip poplar harvested for covered bridge restoration project

Wednesday November 7 - Pike State Forest

Site 1: C9, Tract 4 - Completed 42-acre improvement harvest, follow-up TSI girdling
Site 2: C9, Tract 4 - Completed Salvage of Gas Pipeline ROW widening timber
Site 3: C9, Tracts 5 + 6 - Marked thinning with 4 regeneration openings, extensive discussion of marking, retention, and inventory of trees with habitat value, particularly hollow sections, holes, dead portions; discussion of habitat for Indiana Bat

Thursday November 8 - Ferdinand State Forest

Site 1: C4, Tract 7 – Completed pine removal for conversion to hardwoods; issues with protections for ephemeral stream
Site 2: C4, Tract 9 - 47 acre thinning; removal of over-mature black oak; release of red and white oak, good den cavity tree retention; TSI girdling focusing on beech and other species.

2.4 Status of Corrective Action Requests

Background/Justification: The majority of property managers were not familiar with the FSC Lake States and Central Hardwood Regional Standard. In order to make a genuine commitment to manage in accordance with FSC Principles and Criteria, as required under Criterion 1.6, managers need to first understand the applicable standard.	
CAR 2006.1	By the 2007 surveillance audit, at least one staff member per state forest property must demonstrate an understanding of the P&C as elaborated by the Lake States and Central Hardwood Regional Standard.
Deadline	2007 surveillance audit
Action Taken By Certificate holder/Auditor Comments	
<p>DoF Response: <i>All property personnel were given electronic copies of the Lake States and Central Hardwood Regional Standards on 12/01/2006 (email from John Friedrich). The topic was again covered in a training session for property personnel on 10/23/2007. The latest training session was followed with an email to property personnel on 10/25/2007 with the Lake State and Central Hardwood Regional Standards attached. Property Managers were explicitly instructed to become familiar with the Standard.</i></p> <p>SCS Findings: SCS Verified that DoF staff were given copies of the FSC Standard, and that it was covered during a training session in October 2007. Outstanding CARs were also covered during training sessions in March and October. The hiring of a biologist with excellent understanding of biodiversity issues will facilitate better understanding of the ecological requirements under FSC. The auditor observed evidence of the effectiveness of this education effort in DoF staff being aware of which FSC chemicals are on the FSC prohibited list.</p> <p>Status January 2008: Closed</p>	

Background/Justification: We realize that there are no federally recognized tribes residing in Indiana. However, there are tribes outside of Indiana, that once inhabited forests in Indiana, and that may remain interested in the management and protection of their cultural and archeological sites that may still occur within the Indiana state forest system. Additionally there are at least two non-federally recognized Tribes in Indiana: Miami Nation of Indiana, Peru, IN (http://www.miamiindians.org/) Upper Kispoko Band of the Shawnee Nation, Kokomo, IN.	
DoF has not attempted to contact the non-federally recognized Indian Tribes, the Indiana Native American Council, or the federally recognized Tribes in adjacent states.	
CAR 2006.2	By the 2007 surveillance audit, DoF must contact non-federally recognized Indian Tribes currently residing in Indiana, the Indiana Native American Council, and federally recognized Tribes in

	adjacent states. DoF must invite their participation in planning processes for state forests, particularly planning related to identification and protection of Tribal resources, including cultural and archaeological sites.
Deadline	2007 surveillance audit
Action Taken By Certificate holder/Auditor Comments	
<p>DoF Response: <i>A letter was mailed to all known Native American interests on 05/16/07 during the development of the 2008-2013 Division of Forestry Strategic Plan. A copy of the letter is in the document "NAIAC_consult_letter_051607.doc." Responses were received from two of those groups, with comments fully considered in further development of the document. The Properties Section portion of the 2008-2013 Strategic Plan is available on the Division web site at http://www.in.gov/dnr/forestry/index.html and in the document "StateForestPropertiesStrategicPlan2008-2013.pdf." The summary of public comments and how those comments were/will be incorporated into the plan is found in the document "Notes from Public Meetings.070207.doc"</i></p> <p>SCS Findings: SCS verified that the above action took place. Additionally the DoF archeologist attended a training session on how to contact Native Americans. DoF continues to carry out proper surveys of archeological sites that are identified.</p>	
Status January 2008: Closed	

Background/Justification: The audit team observed an adequate process, through annual open houses, for public involvement at the individual state forest level. However, many DoF opponents still criticized this process as being too restrictive or not accessible. It is possible that some of the concern expressed by stakeholders is due to a misunderstanding of the DoF public participation protocols. On a related issue, there is a need to improve public access to DoF plans, guidance documents, monitoring results, and other key planning documents. CAR 2006.3 addresses these findings.	
CAR 2006.3	Within 3 months of award of certification, DoF must provide the public with easy access (e.g., via the DNR website) to a clear description of the DoF protocols for public involvement, how comments are considered, and available dispute resolution processes. Additionally, DoF must make its planning, monitoring results, and other key documents readily available to the public. Per FSC Criterion 7.4 and 8.5, respectively, these documents must include a public summary of the management plan and the results of monitoring activities.
Deadline	3 months following award of certification

Reference	<i>FSC Criterion 4.4, 7.4, 8.5</i>
Action Taken By Certificate holder/Auditor Comments	
DoF Response:	
<p><i>Beginning about October 1, the Division began some simple fixes to the information on the web. Links to public summaries of the FSC and SFI audits were placed on the "State Forests" page. The draft strategic plan was placed on the Division page with the request for comments by December 1, 2007. We have requested a sample of our management guides be placed on the web site with the opportunity for the public to review and comment on guides during a 30-day or longer review period. The documents "FerdinandC2T11.doc", "FerdinandC3T7.doc", "FerdinandC2T11_Harvest.pdf" and "FerdinandC3T7_Harvest.pdf" represent two examples of the planned public availability of management plans. As of 10/30/2007, these sample guides have not been posted on the web.</i></p> <p><i>The open house program continues to be used successfully to inform the public and make plans available for review and provide opportunities for input. A summary of the 2007 open houses is available in the document "Open House Comments Summary2007Final – 7-30-07.doc"</i></p>	
SCS Findings:	
<p>There has been a major overhaul of the DoF website (http://www.in.gov/dnr/forestry/). The public can now find the Draft Strategic Plan, guide for offering public comments, dates and locations for upcoming open houses, results from past open houses, key DoF procedures, a selection of Management Guides (eventually all new Management Guides will be posted) and 30 days will be allowed for comment. Results of DoF monitoring can be found in the Management Guides, BMP Monitoring summary, invasive species monitoring, and Summary of Annual Accomplishments. A more in-depth monitoring system is in the process of being implemented as part of the HCP. Once the HCP has been implemented, summaries of the results of this monitoring will be made available.</p>	
Status January 2008: Closed	

Background/Justification: In the course of examining marked and harvested stands, the audit team observed variation across forest units and among individual foresters with respect to stand-level wildlife habitat elements (e.g., snags; green tree retention in clearcuts; den, nest, declining, and mast trees; downed woody debris). Attention to snags and mast trees was strong; however, there are no standards for other stand-level wildlife habitat elements.	
CAR 2006.4	By the 2007 surveillance audit, DoF must develop and implement a comprehensive set of guidelines to provide stand-level wildlife habitat elements.
Deadline	2007 surveillance audit

Reference	<i>FSC Criterion 6.3.b and 6.3.c</i>
Action Taken By Certificate holder/Auditor Comments	
<p>DoF Response:</p> <p><i>After an extensive search, the Division employed a Wildlife Specialist who reported to work on September 24, 2007. In the five weeks with the Division, he is becoming familiar with the Division and our personnel, forests, issues, etc. He has developed draft wildlife habitat guidelines in the document "DRAFT Management Guidelines for Wildlife Habitat Features.doc". Additionally, he is developing a wildlife habitat strategic plan draft, "DRAFT Wildlife Strategic Plan.doc".</i></p> <p><i>Property personnel have been exposed to training on wildlife habitat elements during a classroom session at Clark SF on 10/23/2007 and a field exercise at Martin SF on 10/24/2007.</i></p> <p>SCS Findings:</p> <p>The addition of the Wildlife Specialist to DoF staff improved the understanding of and approaches to retaining/recruiting stand-level wildlife habitat elements. Furthermore, DoF has added an expert in Indiana bat habitat to their staff, who will help ensure stand-level wildlife habitat elements address Indiana bat requirements. A comprehensive set of guidelines has been developed, but implementation has just begun. As such CAR 2006.4 is to be closed, and CAR 2007.2 is issued to ensure implementation.</p>	
Status January 2008: Closed; See CAR 2007.2	

Background/Justification: The team recognizes that the Division of Nature Preserves, in cooperation with DoF, has done considerable work establishing nature preserves on state forests. However, it is unclear if the current network of Nature Preserves, in conjunction with other protected forests (National Forests, TNC properties, etc), covers the full complex of representative forest types and communities found on State Forest lands (as required by Criterion 6.4)	
CAR 2006.5	By the 2008 surveillance audit, DoF must (working with partners, if possible) complete a gap analysis to identify needs for samples of representative ecosystems found on state forest lands. Upon completion of the gap analysis, DoF must determine through an interdisciplinary approach what, if any, opportunities there may be to establish representative samples on state forests. Between now and 2008, if there arise known opportunities on state forests to contribute to known gaps of representative samples, DoF must begin the process to establish active designations.
Reference	<i>Criterion 6.4</i>
Deadline	Year 2 surveillance audit
Action Taken By Certificate holder/Auditor Comments	
DoF Response: DoF continues to work with the Division of Nature Preserves to designate high quality communities. Work toward a gap analysis will begin in early	

2008.

SCS Findings: It is critical that DoF understands the requirements for Criterion 6.4. SCS encourages them to seek clarification, if necessary, so that they can meet this CAR within the stated timeframe.

Status: Due in 2008

Background/Justification: The team identified some gaps in training of forestry staff in managing species of concern, landscape level planning, knowledge of disturbance regimes and successional pathways, and other requirements of the FSC standard.

CAR.2006.6	By the 2007 surveillance audit, DOF must assess the effectiveness of current staffing and training opportunities at providing the necessary expertise to address gaps identified in the FSC report (both CARs and RECs). Prepare an action plan that details how gaps in training and/or expertise will be filled.
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Reference	<i>Criterion 7.3</i>
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Deadline	2007 surveillance audit
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Action Taken By Certificate holder/Auditor Comments

DoF Response:

We will require that all professional staff in the Properties Section complete the level of training necessary to meet the Certified Forester standard as defined by the Society of American Foresters. A copy of those eligibility and recertification requirements is available in the file "SAF CF Requirments.doc."

To address the specific training gaps, the Division has begun and will continue to provide training sessions to meet identified needs. This year has focused on oak regeneration, disturbance regimes necessary to maintain oak-hickory dominated forests, and successional trends in an undisturbed oak-hickory forest. Toward that end, we encouraged our field personnel to attend SILVAH: OAK training in Nashville, IN, 02/21-22/07 (oak regeneration, stand development, disturbance, prescribed fire), Oak Regeneration and Management sponsored by the University of Kentucky Extension, 10/3-4/07 (regeneration dynamics, management tools), and oak management training at Clark/Martin SF 10/23-24/07. The Division has an enhanced budget to cover out-of-state training and has encouraged all staff to take advantage of training opportunities.

To enhance our staff training in the area of managing wildlife species of concern, our staff Wildlife Specialist will provide both classroom and field training. This training will occur concurrently with the implementation of property level wildlife management plans. Two other emphasis areas to be

investigated include management of sensitive plant communities and a forest stand dynamics course. The Division of Nature Preserves was unable to provide the plant community training but recommended an outside contractor which we have been unable to secure at this time. The forest stand dynamics will also involve a contract trainer based on the work of Oliver and Larson.

SCS Findings:

DoF has taken significant steps to address gaps in training. SCS verified that the actions described above have occurred or are now occurring. Expanded training efforts are occurring District wide, as opposed to being limited to a few select individuals. There is an opportunity to improve the tracking of training for individual DoF employees (Recommendation 2007.1).

Status January 2008: Closed; See Recommendation 2007.1

Background/Justification: DoF has yet to develop a procedure for ensuring chain-of-custody of FSC certified logs. For an entity selling only standing timber, the chain-of-custody obligations include:

- Effectively notifying all purchasers of state forest timber sales that maintaining the FSC-certified status of the procured products requires each owner of the product, from severance at the stump onward, to hold valid FSC-endorsed chain-of-custody certificates;
- Including IN DoF’s FSC FM/COC registration number on timber sale contracts and sale prospectus;
- Upon request from SCS, making available the following timber sale information: purchaser’s name and contact information, species and volume sold, date of sale;
- Notifying SCS and/or the FSC of any instances when a purchaser of state forest timber (not holding a valid FSC-endorsed chain-of-custody certificate) uses the FSC logo;
- Maintaining timber sale records for at least 5 years

CAR 2006.7	Prior to selling wood as FSC certified, DoF must develop and implement a procedure covering the FSC CoC requirements.
Reference	<i>Criterion 8.3</i>
Deadline	Prior to sale of wood as FSC certified
DoF Response	DNR has made a commitment to include the FSC FM/COC registration number on timber sale notices and contracts. Within 2 years, DoF will explore opportunities to encourage purchasers to acquire valid FSC-endorsed-chain-of-custody certification. DoF will continue to maintain timber sale records for at least 5 years, and will notify SCS if any purchaser improperly uses the FSC logo.
Status	The response is sufficient to allow DoF to sell wood as FSC certified. At the Nov 2007 surveillance audit, SCS will review the implementation of

	this.
Action Taken By Certificate holder/Auditor Comments	
DoF Response: DoF modified timber sale notices and contracts to include both the SFI and FSC logos and certification numbers	
SCS Findings: The logo and chain-of-custody procedures conform with the requirements	
Status: closed	

Background/Justification: The audit team found that DoF managers, employing management systems, have worked to identify and conserve areas possessing High Conservation Value Forests. The DoF has stated that on <i>Indiana State Forests</i> , <i>HCVF are designated as Dedicated State Nature Preserves, areas containing critical habitat for endangered species, Important Bird Areas, and areas that contribute directly to ecological values of Focal Areas as designated by The Nature Conservancy.</i> In order to communicate DoF's actions at identifying and maintaining HCVF, a list of specific sites and areas must be developed.	
CAR 2006.8	By the 2007 surveillance audit, DoF must compile the list of specific sites and areas classified as HCVF- per the scope of the assessment required by Criterion 9.1. Additionally per Criterion 9.2, DoF must provide explicit opportunities to the public to offer input on identifying, designating, and managing HCVF. Thus, DoF must demonstrate what opportunities have and will occur for the public to nominate HCVF.
Reference	<i>Principle 9</i>
Deadline	2007 surveillance audit
Action Taken By Certificate holder/Auditor Comments	
DoF Response: <i>As of October 30, 2007, HCVFs are limited to dedicated Nature Preserves (2,018 acres) and Old Forest Areas (5,706 acres) and five areas with special features or values under consideration as HCVFs (591 acres) for a total of 8,315 acres. The list of areas is found in the file "HighConservationValueForests.103007.doc."</i> <i>The Division of Nature Preserves has the primary responsibility for designation and management of Nature Preserves. That division is unwilling to provide expanded ability for the public to identify, designate or manage Nature Preserves. The identification, designation and management of other types of HCVFs will be addressed in the 2008-2013 Strategic Plan</i>	
SCS Findings: DoF completed the list of specific sites qualifying as HCVF. However, DoF has yet to consult with the public regarding these designations and what opportunities there are for identifying new areas that qualify as HCVF. This CAR will be closed, and CAR 2007.3 is issued to require DoF to undertake consultation on HCVF.	
Status: closed	

Background/Justification: The recent change in direction for the management of Indiana State Forests, as outlined in the Strategic Plan (2005-2007), occurred without adequate internal (DoF staff) and external (outside stakeholders) stakeholder involvement. The 2005-2007 Strategic Plan will be replaced by a strategic plan developed during 2007 to cover activities from 2008-2013. DoF has prepared a document entitled: a *Commitment to an Improved Process for Detailing Strategic Operational Plans* that outlines the approach for internal and external involvement for completing the next Strategic Plan. Development of that replacement plan will consist of the following broad steps:

Step 1) Issues Determination: Stakeholders (both internal to IDNR and external) will be provided opportunities to provide input to assist the DNR in determining the issues that should be addressed by the strategic plan.

Step 2) Inter-disciplinary teams from within the DNR will create draft goals, objectives and actions for each designated issue.

Step 3) All stakeholders will be provided with opportunities to comment on all of the draft goals, objectives and actions proposed.

Step 4) Finalize the Plan: The DNR will then use those comments to finalize the Strategic Plan for 2008-2013.

DoF has submitted documentation to demonstrate completion of step 1-3. DoF has not yet completed step 4. This step is required in order to complete the process and fully integrate the public comments into development of the next Strategic Plan.

CAR 2007.1	DoF must complete Step 4 (Finalize the Plan: The DNR will then use those comments to finalize the Strategic Plan for 2008-2013) of the document entitled <i>Commitment to an Improved Process for Detailing Strategic Operational Plans</i> .
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Deadline	12/31/2007
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Reference	<i>FSC Criterion 4.4</i>
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Action Taken By Certificate holder/Auditor Comments
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<p>DoF Response: Steps 1-3 were completed before July 1, 2007. Step 4 is underway. The Draft Strategic Plan is available on the DoF web site. The comment period closed December 1. The Division's plan was substantially finished by December 31, 2007, the due-date for this CAR. The finalization of the plan has been delayed by the DNR Executive Office and Indiana Governor's Office regarding discussions to modify the Department's and State's reporting metrics. DoF was told to suspend completion of any strategic planning efforts until those reporting decisions were finalized. In late February, the reporting metrics were finalized. Thus, the State Forest Strategic Plan is now scheduled to be completed and made available to the public by March 30.</p>
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SCS Findings:

The Strategic Plan was nearly finalized by December 31, 2007, and was delayed for reasons beyond the control of DoF. As a result, SCS will grant a 3 month extension to this CAR. New evidence obtained during the 2008 audit suggests that the level of interdisciplinary cooperation only marginally met the intent of Steps 1-2. In other words, although there were efforts to reach out and incorporate the comments from other Divisions, Step 2 was not really an interdisciplinary collaborative process, as described. The Divisions of Nature Preserves and Fish and Wildlife are key partners of DoF, and DoF's conformance with Principle 6 (particularly C. 6.2 and 6.4) relies, in part, on the expertise of these other Divisions. As a result CAR 2007.5 is stipulated for DoF to take steps to improve the level of cooperation and communication between DoF and these other Divisions.

Status: Due March 31, 2008: Additionally CAR 2007.5 is stipulated

FSC RECOMMENDATIONS

Background/Justification: DoF should readily provide SCS within information regarding significant unresolved disputes at each surveillance audit.

REC 2006.1	At the time of each surveillance audit, DoF should provide SCS a summary/status report of current unresolved disputes.
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Reference	<i>FSC Indicator 2.3.b</i>
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Action Taken By Certificate holder/Auditor Comments

SCS Findings: DoF provided SCS an update on unresolved disputes.

Status: continued

Background/Justification: There are no set guidelines or target levels for coarse woody debris.

REC 2006.2	DoF should develop standards for coarse woody debris retention ensuring sufficient levels in a diversity of size classes are retained.
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Reference	<i>FSC Criterion 5.3</i>
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Action Taken By Certificate holder/Auditor Comments

DoF is currently drafting guidelines. See response to CAR 2006.4

Status: continued

Background/Justification: Disturbance regimes, such as wind driven events, and their contribution to a diversity of successional stages have not been thoroughly investigated and incorporated into management of state forests

REC 2006.3	DoF should emphasize continuing education and/or acquiring additional expertise on forest ecology including disturbance regimes and pathways and flora and fauna communities.
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Reference	<i>FSC Criterion 6.1</i>
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Action Taken By Certificate holder/Auditor Comments

DoF concentrated education efforts on incorporating drought as a disturbance event into the management of state forests. Next year DoF may consider incorporating wind driven events into management. Continuing education has been and will continue to include disturbance regimes and successional pathways.
Status: addressed

Background/Justification: There is lack of understanding and documentation of habitat needs and management considerations pertaining to species of concern, as defined by the Natural Heritage Element Occurrence Record dataset	
REC 2006.4	DoF should improve the presentation and distribution of information describing habitat and best management practices for species of concern.
Reference	<i>FSC Criterion 6.2</i>

Action Taken By Certificate holder/Auditor Comments	
<p><i>DoF Action: Property personnel are encouraged to collect the necessary information to become fully aware of the identification, habitat and management needs of natural heritage elements early during any field activity. The Wildlife Specialist is available for consultation on wildlife elements; other staff persons within the Divisions of Forestry and Nature Preserves are available floral issues.</i></p> <p><i>An example of a recent Natural Heritage Database Review for Morgan-Monroe C06T10 is available in the document "MMSF0610.pdf." Most reviews reveal a few elements with which the field forester should become familiar. Rather than cover the field forester with documents that may not be useful, we leave the process to gather pertinent knowledge about those elements to the field forester. The above example revealed several locations of two elements: one plant (Green adder's mouth orchid - <i>Malaxis unifolia</i>) and one animal (Timber rattlesnake - <i>Crotalus horridus</i>). Simply inserting the scientific name into Google reveals 992 sources of information on the plant and about 85,800 for the rattlesnake. The necessary management information is incorporated into the management guide.</i></p> <p>SCS Findings: This recommendation will be further elaborated upon in the Property Wildlife plans.</p>	
Status: continued	

Background/Justification: Ecological characteristics of adjacent forested stands are not consistently considered. Although each management guide looks within a 2.5 mile radius of the tract- this rarely results in any new information or alteration to the proposed treatment.	
REC 2006.5	DoF should improve the process for considering ecological characteristics of adjacent forested stands and landscape

Reference	<i>FSC Criterion 6.3</i>
Action Taken By Certificate holder/Auditor Comments	
Recommendation is being addressed with development of Property Wildlife plans	
Status: continued	

Background/Justification: There is an opportunity to use more prescribed fire	
REC 2006.6	DoF should make a commitment to using prescribed fire when possible, and prepare an operating procedure that guides when and how prescribed fire should be used.
Reference	<i>FSC Criterion 6.3</i>
Action Taken By Certificate holder/Auditor Comments	
DoF Action: <i>Division personnel are increasing the use of prescribed fire as a tool in site preparation, exotic species control and oak regeneration. Prescribed fire is used following a fire plan with specific requirements for weather conditions and habitat response. We are in the early stages of hiring a fire person who will assist with control burning part time and with urban interface fire issues.</i>	
Status: continued	

Background/Justification: Although the vast majority of chemical use follows a written prescription, occasionally DoF staff will treat invasive exotic species without first preparing a written strategy.	
REC 2006.7	DoF should ensure that every herbicide application is done in accordance with a written prescription
Reference	<i>FSC Criterion 6.6</i>
Action Taken By Certificate holder/Auditor Comments	
DoF Action: <i>Major invasive control projects are done with a written prescription. Occasional small clumps or isolated individual invasives are controlled as efficiently and expeditiously as possible, using approved pesticides and methods by certified pesticide applicators.</i>	
SCS Response: SCS would like to see a more formal documented approach for occasional isolated treatments of invasives, e.g., a set of general prescriptions/approaches to treating invasives.	
Status: continued	

Background/Justification: IN BMP's require operators to carry spill kits; however DoF is not consistently enforcing this requirement.	
REC 2006.8	DoF should ensure that all equipment operators carry spill kits, and

	are properly trained in containment and clean-up procedures.
Reference	<i>FSC Criterion 6.7</i>
Action Taken By Certificate holder/Auditor Comments	
DoF Action: <i>Our timber sale contracts require that the operator comply with the guidelines in Indiana Logging and Forestry BMPs. The BMP field guide requires cleanup of spills and recommends contents of a spill kit. The guidelines do not suggest a spill kit on each piece of equipment, but our expectation is that tools and materials necessary for emergency cleanup of a spill are available on the site. It is unrealistic to require all the suggested materials on each piece of equipment. For example, carrying the recommended 2 bags of absorbent on a chainsaw would make a difficult job impossible. We will continue to enforce contract provisions, including emergency cleanup of spills, and will spot check to make sure emergency cleanup materials are available on the logging site.</i>	
Status: addressed	

Background/Justification: DoF has an active program and strategies for treating invasive exotic plants; however, these were not communicated in the 2005-2007 Strategic Plan. Due to the recent increases in harvesting, plans and actions to address invasive exotic plants should be clearly communicated in the Strategic Plan.	
REC 2006.9	DoF should prepare a section in the strategic plan that details their programs for controlling invasive exotic plants, specifically how invasive species control will be enhanced to be commensurate with the increase in harvesting.
Reference	<i>FSC Criterion 6.9</i>
Action Taken By Certificate holder/Auditor Comments	
The anticipated increase in exotic plants associated with increased harvest level is discussed in the 2008-2013 strategic plan	
Status: addressed	

2.5 New Corrective Action Requests, Recommendations, and Observations

Background/Justification: See CAR 2006.4	
CAR 2007.2	Finalize, train, and begin implementing stand level habitat guidelines.
Deadline	2008 surveillance audit
Reference	FSC Criterion 6.3.b and 6.3.c

Background/Justification: See CAR 2006.8	
CAR 2007.3	DoF must share with the public the list of areas that have been identified as HCVF. Additionally, DoF must solicit input from the

	public as to what other areas may qualify as HCVF.
Deadline	2008 surveillance audit
Reference	FSC Criterion 9.2

Background/Justification: We assessed several chemical storage facilities across three different properties, and observed a pattern of proper handling. One exception was observed at the Owen Putnam State Forest Headquarters where chemicals were stored inside and outside (on top of) a lockable, dedicated metal but unvented “flammable liquid storage cabinet” within a garage/workshop adjacent to the work area of an employee.	
CAR 2007.4	DoF must correct the worker exposure situation in Owen Putnam, and institute a policy to ensure employee work areas are not located near unvented chemical storage areas.
Deadline	2008 surveillance audit
Reference	FSC Criterion 6.7

Background/Justification: The Divisions of Nature Preserves and Fish and Wildlife are key partners of DoF, and DoF’s conformance with Principle 6 (particularly C. 6.2 and 6.4) relies, in part, on the expertise and cooperation of these other Divisions. Consultations during the 2007 audit, suggested that these partnerships are not functioning as well as they should.	
CAR 2007.5	DoF must take steps to improve the level of cooperation and communication between DoF and other relevant Divisions within the DNR.
Deadline	2008 surveillance audit
Reference	FSC Criterion 4.4, 6.2, 6.4

Recommendations

Recommendation 2007.1 – DoF should develop and implement a system to improve upon the identification of training needs, and the training received by individual employees.

Recommendation 2007.2 DoF should implement a more pro-active approach to improving snag and wildlife tree coverage by not marking as many cull trees, which leaves the decision to harvest these trees, with little or no economic value, but high wildlife value, up to the discretion of the logger.

2.6 General Conclusions of the Annual Audit

As a result of the 2008 annual audit, the SCS audit team concludes the Indiana State Forests continues to be managed in overall conformance with the FSC Principles and Criteria. Sections 2.4 and 2.5 detail the non-conformances with the Lake States Central Hardwoods Standard, and the actions being taken to address them. As such, continuation of the certification is warranted,

subject to ongoing progress in closing out the open CARs and subject to subsequent annual audits.

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.

REQUIREMENT	C/ NC	COMMENT/CAR
P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.		
C1.1 Forest management shall respect all national and local laws and administrative requirements.	C	There have been no regulatory violations in the previous 30 years. DoF has a rigorous BMP monitoring program, and continues to maintain a high level of conformance.
C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.	C	Payments continued to be made in a timely fashion.
C1.3. In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.	C	All relevant conventions, treaties, etc are respected.
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.	C	There are no conflicts between the FSC P&C and Indiana laws and regulations.
C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.	C	DoF minimizes the likelihood of illegal activities occurring on State Forests through numerous actions, including: <ul style="list-style-type: none"> • Ensuring property boundaries are regularly marked • Acquiring in-holding parcels- when possible • Maintaining regular contact with neighbors • Deploying law enforcement personnel.
C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.	C	The level of understanding of the FSC Lake States Standard has improved as a result of training by DoF. DoF is planning to expand its commitment to FSC by seeking certification for the Classified Forest Program.
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	C	There has been no change to the tenure status of the Indiana state forest system, and as such DoF maintains

rights, or lease agreements) shall be demonstrated.		clear rights to manage these lands.
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	Recreation on State Forests is the primary customary use that DoF must address. DoF management continues to ensure that customary recreational uses are accommodated and appropriately managed. The 2008-2013 Strategic Plan makes a stronger commitment to providing the public with good recreation activities on State Forests.
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	DoF has an adequate system for resolving disputes. See discussion in the 2007 full assessment evaluation report. As part of the 2007 surveillance audit, DoF provides SCS an updated status of unresolved disputes.
P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.		
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.	NA	Indian State Forests are not tribal lands
C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.	C	In May 2007, IN DoF solicited comment on the Strategic Plan, via a written letter, from all relevant Native American interests. Responses were received from two of those groups, and comments were fully considered in further development of the document.
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.	C	See observation under Criterion 3.2. Additionally, the DoF archeologist attended training on how to contact and communicate with Tribes. DoF continues to search for Native American sites prior to harvest activities. On average, a couple of sites are identified and protected per year.
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.	NA	
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.		
C6.3. Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and	C	DoF added expertise and expanded training to improve the level of understanding and attention to ecological functions. DoF added a biologist and developed

<p>succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem.</p>		<p>guidelines for retention of stand level habitat elements. DoF will also develop Wildlife Habitat Plans for each of the State Properties.</p> <p>There is considerable opportunity to improve habitat conditions on the state forests. Nearly all sites visited were short of the 1 snag > 19” target. However, we observed numerous cases where cull trees were marked for cutting as an option to the logger. At times these trees with high wildlife value, but very little economic value, are felled. DoF should implement a more proactive approach to ensuring there are adequate snag and wildlife trees. One approach would be for DoF to leave decisions about cull trees up to the TSI crew (who can girdle the tree if necessary for silvicultural objectives). At the same time TSI crews should be well-informed of stand level habitat goals and objectives.</p>
<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>		<p>All roads viewed during the 2007 audit were well designed, constructed, and maintained.</p> <p>The program for implementing BMP’s and monitoring BMPs remains exceptionally strong, despite the following isolated lapse at Ferdinand State Forest (Compartment 4 Tract 7), where an ephemeral stream was crossed in three places, was disturbed by harvest activities, and was blocked in one place by a berm intended to reestablish the stream channel at the primary crossing. Page 35 of Indiana Logging and Forestry Best Management Practices includes under general guidelines for ephemeral streams “minimize soil disturbance, crossings and channel blockages”. At the 2008 audit, SCS will look for evidence (documents/photographs) that this was addressed.</p>
<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>We assessed several chemical storage facilities across three different properties, and observed a pattern of proper handling. One exception was observed at the Owen Putnam State Forest Headquarters where chemicals were stored inside and outside (on top of) a lockable, dedicated metal but unvented “flammable liquid storage cabinet” within a garage/workshop adjacent to the work area of an employee (Minor CAR 2007.4)</p>
<p>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.</p>		
<p>C7.3. Forest workers shall receive adequate</p>	<p>C</p>	<p>Training of DoF staff has improved over the last year.</p>

training and supervision to ensure proper implementation of the management plans.		See discussion under CAR 2006.6
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.	C	The State Forest Strategic Plan, Procedures Manual, State Forest Management Guides (5), Public Comment approach, and other key documents are now available on the DNR website.

3.2 Stakeholder Comments

SCS received comments from and had discussions with several external stakeholders as part of the 2007 audit. Names of individuals and groups consulted with are maintained in the SCS files.

Comment/Concern	SCS Response
Opposition to proposed logging in the backcountry area of Morgan-Monroe State Forest, which is designated for backcountry camping and to provide a “wilderness” type experience	SCS confirmed that the process to harvest in the backcountry is currently in the initial planning stages. The backcountry designation does not preclude timber harvesting, as long as the “backcountry” characteristics are maintained. Thus, the harvest plan will have to ensure that silviculture is consistent with maintaining/enhancing the backcountry characteristics. Additionally, DoF will undergo public consultation on the plan. SCS will assess this during the 2008 audit.
There should be more Nature Preserves on State Forests.	The FSC standard requires that HCVF (P.9) and Representative Samples (C. 6.4) be maintained/enhanced and protected, respectively. SCS does view the establishment of Nature Preserves as a very effective way to address elements of Principle 9 and Criterion 6.4. However, the FSC Standard does not specify the specific land allocations necessary to address these Criteria, and as such SCS is not in the position to specify a number or the extent of Nature Preserves.
The Divisions of Nature Preserves and Fish and Wildlife are key partners of DoF, and DoF’s conformance with Principle 6 (particularly C. 6.2 and 6.4) relies, in part, on the expertise and cooperation of these other Divisions. Consultations during the 2007 audit, suggested that these partnerships are not functioning as well as they should be functioning.	CAR 2007.5

DoF has been making good on its commitment to purchase additional lands with part of the proceeds from increased harvests, e.g. partnership with The Nature Conservancy and The Division of Nature Preserves on acquisitions in Parke County.	Duly Noted
Considering the level of forest fragmentation in Indiana and the inherent challenges of addressing complex ecological issues/questions at the parcel level, there are opportunities for more collaboration with other land managers/owners.	Partially addressed by CAR 2007.5. The Wildlife Plans being developed for each Property will be an opportunity for more landscape level analyses and planning. See Recommendation 2006.5

3.3 Controversial Issues

The proposed logging in the Backcountry Area of Morgan Monroe is becoming controversial. During the 2008 recertification audit, SCS will assess how DoF has addressed this controversy.

3.4 Changes in Certificate Scope

There were no changes to the certificate scope as a result of this audit.