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

Swanton Pacific Ranch

California Polytechnic State University Foundation

SCS-FM/COC-00071N

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CERTIFIED	EXPIRATION
05/03/09	05/03/14

DATE OF FIELD AUDIT
05/27/10
DATE OF LAST UPDATE
00/00/00

Organization of the Report

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

FOREWARD

This report covers the first annual audit of Swanton Pacific Ranch pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded May 3rd, 2009, SCS-FM/COC-00071N. All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website www.scs-certified.com.

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

- A focused assessment of the status of any outstanding conditions or corrective action requests
- 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 this 2010 annual audit, there were 4 open Corrective Action Requests (CARs), the status of Swanton Pacific Ranch's response to which was a principal focus of the annual audit (see discussion in Section 2.4 for a listing of those CARs and their disposition as a result of this annual audit).

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Section A – Public Summary

1.0 General Information

1.1 Annual Audit Team

Dr. Robert J. Hrubes, Ph.D. – Lead auditor, Scientific Certification Systems. Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 30 years of professional experience in both public and public forest management issues. He is the principal architect of the SCS Forest Conservation Program, accredited by the Forest Stewardship Council since 1995. He is currently Senior Vice-President of Scientific Certification Systems. Dr. Hrubes has served as lead auditor for a large number of SCS Forest Conservation Program certification evaluations of North American public forests, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Brazil, Papua New Guinea, Japan, Malaysia, Australia and New Zealand. Dr. Hrubes holds graduate degrees in forest economics, economics and resource systems management from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University.

Liz Forward, M.F. – Auditor trainee, Scientific Certification Systems. Ms. Forward is a Program Associate in the LegalHarvest program with Scientific Certification Systems. She holds a B.A. in Human Biology from Stanford University, and Masters of Environmental Management and Masters of Forestry degrees from Duke University's Nicholas School of Earth and Environmental Science. She has experience in rural land use planning and community based environmental management in Colorado and Montana, and has worked in forest certification and sustainable agriculture in Indonesia.

1.2 Total auditor time spent on evaluation

A. Number of days spent on-site assessing the applicant:	1
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on stakeholder consultation, document review, audit planning, etc.:	1
D. Total number of person days used in evaluation:	3
(Line D = (Total number of days in Line A x Total number of auditors from Line B) + additional days from Line C.	

1.3 Standards Employed

Box 1.3.1. – Applicable FSC-Accredited Standards		
Title	Version	Date of Finalization

Revised Final Pacific Coast (USSA) Regional FSC Standard	V9-0	5 – May – 2005
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Forest Conservation Program homepage (www.scsertified.com/forestry). Standards are also available, upon request, from Scientific Certification Systems (www.scsertified.com).		

2.0 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

Date	FMU/Location/ sites visited	Activities/ notes
5/27/10	Al Smith House	<ul style="list-style-type: none"> • Opening meeting • Overview of events/activities since the last audit, including Lockheed fire • Review of SPR response to 2009 CARs and RECs
5/27/10	Field: landing sites 11 and 12, French broom management area and Hill Slope study area	<ul style="list-style-type: none"> • Reconnaissance of high intensity burn area and salvage logging in Hill Slope Study area • Review and inspection of planned French broom management activities
5/27/10	Al Smith House	<ul style="list-style-type: none"> • Auditor deliberations • Closing meeting; disposition of active CARs

3.0 Changes in Management Practices

The most significant change in management that has occurred at Swanton Pacific Ranch since the last audit was the salvage logging operation instigated by the 2009 Lockheed fire. The fire began on August 12, and burned in total just over 7,800 acres across several ownerships; most of the SPR's forested acres east of Swanton Road were burned at varying degrees of intensity. The fire spread via strong NE winds; 92% of the Little Creek watershed burned, with NE oriented hill slopes, drainages and ridge tops burning with the highest intensity.

Following the fire, SPR convened a Fire Recovery Committee (comprised of faculty members and ranch personnel) to assess hazards, plan new management, weigh harvesting options and amend the sustainability analysis and generate mortality guidelines. A number of concerns and opinions were represented, including financial concerns, worry over hazard trees, erosion and landslide risks, and the

pros and cons of conducting an emergency salvage operation. After much consideration, SPR applied for an emergency notice with CAL FIRE on 91 acres, removing approximately 900,000 bf of redwood. Douglas fir was not harvested. SPR believes they took a conservative approach to their salvage harvest, focusing on stands of highest burn intensity and trees that were “substantially damaged,” though they acknowledge that they harvested over Santa Cruz County allowable intensities in approximately one third of the emergency notice area, which is allowed under emergency notices.

The audit team takes positive note that the salvage operation generated a considerable amount of discussion regarding pros and cons and various options presented to the ranch after the fire. The formation of the Fire Recovery Committee constitutes a deliberative approach so that decisions regarding management in the aftermath of the fire were informed by a diverse group of interested parties, with sound science to back up decisions of the team on the ground.

The audit team notes the extraordinary circumstances that the fire posed, and the intensity of the response required on the part of ranch staff to deal not only with the logistics of the fire, but also the ongoing issues and interest generated by the event. It seems now more than ever the ranch has the opportunity to be a living laboratory for research on the effects of the fire on the forest and surrounding vegetation communities, and the ranch can even more fully live up to its goal of learning by doing. We also recognize the publicity that the fire generated, and commend the fact that the ranch has been so open to the public and other organizations who seek to learn from the fire and its associated effects, by holding public meetings, classes, field trips, etc. This also means that the ranch’s forest management practices will be under even greater public scrutiny, particularly the salvage logging, as this represents an often controversial management practice. SPR has demonstrated an adequate awareness of the added scrutiny and pressure to fulfill its mission and represent exemplary forest management practices in the face of new and changing conditions.

We also note that no adverse stakeholder comments were received regarding SPR’s response to the Lockheed Fire.

4.0 Annual Summary of Pesticide and Other Chemical Use

While no pesticide use has occurred in the past year, there are plans for a thoroughly planned and highly controlled pesticide application as part of the planned management action for the control and eradication at a specific French Broom site. The plan was evaluated as part of this annual audit and found to be in full compliance with the Standard, specifically relevant Criteria under Principle 6. The project will be partially funded by the Santa Cruz County Weed Management Area, and the chemical application will be conducted by a licensed PCA. The information listed in the table below describes the planned action for the coming year, and the headings have been amended as such.

Commercial name of pesticide/	Active ingredient	Quantity applied annually	Size of area to be treated	Reason for use
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herbicide		(kg or lbs)	(ha or ac)	
Round-up	Glyphosate		7 acres	Control of invasive French broom

5.0 Open Corrective Action Requests (CARs)

Nonconformity: While there is no evidence that SPR is in non-compliance with U.S. government ratified treaties and international agreements, SPR has not conducted an analysis of all applicable agreements to its forest and ecosystem management.	
Minor CAR 2009.1	SPR must conduct an analysis of treaties and other international agreements that are relevant to its forest and ecosystem management operations.
Deadline	First annual audit.
Reference	<i>FSC Pacific Coast Regional Indicator 1.3.a</i>
FME Response	SPR has undertaken an analysis of treaties and international agreements that were deemed relevant to its forest management operations, with particular emphasis on the applicability of CITES, ILO Conventions, the International Tropical Timber Agreement, and the Convention on Biological Diversity. Analysis indicates SPR is meeting any relevant obligations under international agreements.
SCS Comment	SPR has fully met the requirements of this CAR and the audit team is satisfied with their analysis of relevant international agreements.
Disposition of CAR	On the basis of the actions taken by Swanton Pacific Ranch managers, the SCS audit team concludes that closure of this CAR is warranted .

Nonconformity: SPR did not inform the certifier of a dispute with a landowner in the 80-acre timber easement parcel.	
Minor CAR 2009.2	SPR must develop policy and/or procedure of informing the certifier of disputes over tenure and use rights and keeping the certifier updated on any resolutions or agreements that have been made.
Deadline	First annual audit.
Reference	<i>FSC Pacific Coast Regional Indicator 2.3.b</i>
FME Response	SPR's policy is to inform the certifier by phone or email of any disputes over tenure and use rights, and to keep the certifier up to date on any resolutions or agreements.
SCS Comment	While SPR's policy of informing and updating the certifier of any issues over tenure or use rights is adequate, the policy is not stated formally in any management documents, such as the Ranch Management Procedures, or the Ranch Management Plan. Auditor comments 6/08/10: Following the annual audit, but before finalization of the audit report, SPR took action to address this minor CAR by providing a statement on their website of SPR's policy to inform the certifier of any disputes. The statement appears under the section on forest certification, but has not been inserted into any management documents.

Disposition of CAR	<p>Following the May 2010 audit, but before the audit report was finalized, SPR management took actions to include the following policy on their website in response to the above finding: <i>Swanton Pacific Ranch periodically contacts SCS by phone or e-mail to inform the certifier of disputes over tenure and use rights keeping the certifier updated on any resolutions or agreements that have been made.</i> The policy can be found here: http://www.spranch.org/forest_certification.ldml On the basis of this action taken by Swanton Pacific Ranch managers, the SCS Audit team concludes that closure of this CAR is warranted. However, the audit team notes that a good practice would be to include the policy in a management document, as opposed to only on the website.</p>
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<p>Nonconformity: SPR conducts many monitoring activities and shares this information with researchers, government agencies, and the public through its educational programs. However, a public summary of SPR's monitoring activities is not yet available. SPR also lacks a centralized, formal mechanism to carry out social impact assessments.</p>	
Minor CAR 2009.3	<p>SPR shall maintain a registry of public comments and document any concerns provided from interested parties. These comments and concerns shall be addressed in management plans and operations.</p> <p>SPR shall develop a comprehensive public summary of its monitoring program, incorporating the elements detailed in criterion 8.2.d.</p>
Deadline	First annual audit.
Reference	<i>FSC Pacific Coast Regional Indicators 4.4.b, 8.2.d, and 8.5.a</i>
FME Response	<p>SPR has created an online public comment or "feed back" form, operational 11/19/2009, easily accessed through the SPR website: http://www.spranch.org/feedback.ldml</p> <p>SPR has also created a new page on their website, so that the public can easily access a comprehensive summary of their monitoring programs. The page references a number of different monitoring program, provides links to supporting documents, and will be updated on a regular basis, should the programs change.</p>
SCS Comment	<p>Although SPR has not yet received any comments or concerns through its new online system, the web-link is an adequate mechanism for members of the public looking to provide comments.</p> <p>The new page on the website devoted to monitoring information is very well done and adequately displays the breadth of monitoring programs being implemented. As long as the site remains up to date it should provide an excellent resource for the public to gain comprehensive information about monitoring projects conducted on the ranch.</p>
Disposition of CAR	On the basis of the actions taken by Swanton Pacific Ranch managers, the SCS Audit team concludes that closure of this CAR is warranted .

Nonconformity: SPR's floristic survey and analysis and assessment of protected areas on its land go above and beyond what most landowners in the Central California region are doing. However, SPR has not conducted a regional analysis of the adequacy of representation of their forest types in protected areas across the landscape.	
Minor CAR 2009.4	SPR shall conduct a regional analysis per indicator 6.4.a., including collaboration with relevant state natural heritage programs, public agencies and other groups as detailed in the indicator.
Deadline	First annual audit.
Reference	<i>FSC Pacific Coast Regional Indicator 6.4.a and 6.4.b</i>
FME Response	SPR maintains that by employing Dr. Hayes, an expert on the ecology and botany of the region, a regional perspective and analysis has already been incorporated into the assessment of protected areas and forest type representation on SPR.
SCS Comment	While the audit team recognizes that the expertise of Dr. Hayes is regional in scope, the application of such a regional perspective and analysis has not yet been explicitly stated in documentation of protected areas on the ranch. Without any statements from Dr. Hayes, or new information on regional forest types, it remains unclear if a regional analysis of representative forest types has been adequately conducted to ensure that SPR is appropriately contributing to the network of protected areas across the landscape.
Disposition of CAR	<p>The CAR will remain OPEN until such time as SPR staff can provide evidence of a regional perspective and/or analysis in the designation of their protected areas. Such evidence may take the form of new information from Dr. Hayes, or relevant sections from the original SPR Floristic Survey or other companion documents.</p> <p>Auditor comments 06/11/10: Following the May 2010 annual audit, but before finalization of the audit report, SPR managers submitted additional evidence in response to this CAR. The evidence submitted consists of the following statement, found on page 558, Section 5 of the NTMP, in reference to the choice of "Sensitive Vegetation Community Types": <i>The author focused on any vegetation associations listed of regional and global concern. The California Department of fish and Game list of habitats of concern was reviewed as was the CNDDDB and the County of Santa Cruz's 1994 General Plan.</i></p> <p>It is the SPR manager's assertion that this statement indicates that a regional perspective was used to analyze and choose the representative forest types for SPR's protected areas. The audit team is in agreement – because the evidence clearly shows that Dr. Hayes took into account regional floristic representation, as well as the Santa Cruz County plans, it can reasonably be assumed he incorporated a regional perspective into the subsequent designation of protected forest types. Following this submission of evidence by Swanton Pacific Ranch managers, the SCS Audit team concludes that closure of this CAR is warranted.</p>

5.1 Open Observations (OBS)

Background/ justification: The California Forest Practice Rules provide many opportunities for notification of local indigenous tribes on archaeological issues and SPR has been exemplary in its outreach efforts to local indigenous communities. There is an opportunity, however, to seek participation of tribal representatives in planning management operations that affect American Indian resources.	
OBS 2009.1	SPR should engage in more affirmative outreach to local indigenous tribes to develop plans for the management and protection of American Indian resources on SPR lands.
Reference	<i>FSC Pacific Coast Regional Indicators 3.2.a., 3.3.b, and 8.2.d.5</i>
FME response	During SPR's 2010 salvage operation (following the 2009 Lockheed Fire, two mortars were identified outside the emergency notice area, but inside the NTMP area. SPR has contacted the state archeologist and informed him of the find. SPR staff feel this is their first opportunity to reach out to the Native American Heritage representative and plans to ask them to be on site when they formally record the new finding on a scheduled visit in July.
Auditor Comments	SPR has indeed taken the opportunity to actively engage tribal representatives in new findings of American Indian resources on the property.

Background/ justification: The auditors observed severe girdling damage caused by mounting cables onto a tree in a yarding operation. Upon consultation with SPR and the Big Creek Lumber Co. forester, the auditors discovered that it was the only one which straps were not used.	
OBS 2009.2	SPR should ensure greater consistency in use of straps in yarding operations to protect anchor trees.
Reference	<i>FSC Pacific Coast Regional Indicator 5.3.b</i>
FME response	SPR is well aware of the oversight, and has had the necessary discussions to ensure such practices do not occur again. Provisions concerning acceptable levels of residual damage are included in operations contracts.
Auditor Comments	Consultation between the auditors, SPR and Big Creek Lumber assures greater consistency and care will be taken with future yarding operations. The audit team notes that the one deviation from good harvest practices was likely an anomaly.

Background/ justification: SPR does retain woody debris of various types, but has no targets for woody debris retention.	
OBS 2009.3	SPR should develop targets and guidelines for the retention and recruitment of snags, cavity trees, and downed woody debris throughout the property. This is a restatement of REC 2003.5.
Reference	<i>FSC Pacific Coast Regional Indicator 5.3.c</i>
FME response	<p>Targets and guidelines for the retention and recruitment of snags, cavity trees, and downed woody debris are identified in the Swanton NTMP, Section II, Item 14:</p> <p><u>Wildlife Tree Retention and Snag Recruitment Guidelines</u> Trees having one of more of the following characteristics shall be retained for wildlife habitat and snag recruitment</p>

	<ol style="list-style-type: none"> 1. "Old Growth" Characteristic redwood trees (Redwood trees greater than 60 inches at DBH that were present in the dominant overstory during the late successional stages of forest development of the first growth stands). These trees have the outward indicators such as platy bark with deep fissures, basal hollows with fire scars of multiple ages, large branching structures, flat tops, and limbs at least 8-10 inches in diameter that provide an opportunity for platforms/nesting. 2. Trees with "goose-pen" boles (basal cavities) extending twelve feet or more above the ground level that have potential bat or den habitat. 3. Stand alone granary trees (acorn storage for woodpeckers) or at least 50% of granary tree in clumps of two or more trees. 4. Contiguous stands of large diameter tan oak and Shreve oak as identified on the Botanical Conservation Map at the end of Section II. <p>Additional guidelines are present specifically for snag retention.</p>
Auditor Comments	<p>SPR has identified excellent guidelines for the retention and recruitment of woody debris within their NTMP. This observation from the 2009 recertification audit is likely due to the oversight of this particular NTMP section by the auditor. The audit team also notes that due to the Lockheed Fire, the forest area currently has ample woody debris.</p>

<p>Background/ justification: SPR practices a high level of diligence in identifying old growth trees and stands, for which there is little- if any- chance of them cutting an old growth tree. Current guidelines on old growth management are located at various points in the management plan, however. Mendocino Redwood Company's old growth policy could be a good reference. See also REC 2003.4.</p>	
OBS 2009.4	SPR should develop a more formal policy on old growth trees.
Reference	<i>FSC Pacific Coast Regional Indicator 6.3.d.3</i>
FME response	<p>Guidelines on maintaining late-successional/old growth structures, including individual trees, are identified in the Swanton NTMP, Section II, Item 14:</p> <p><u>Old Growth</u> No old growth trees will be harvested. Individuals and small groups of trees meeting the description of old growth, as stated above, are present in two stands within the NTMP...previously harvested stands shall be thinned from below to reduce competition and to remove ladder fuels. The LTO shall strive to avoid impact to the roots of the old trees by keeping equipment away from the drip line. Tractors may approach old growth trees only on the designated skid trails. In the interest of retaining coarse woody debris within the designated stands, large woody debris greater than 24" shall not be removed.</p>
Auditor Comments	<p>Although SPR has a well articulated old growth policy within their NTMP, the policy could be improved to specifically cover dead trees, and to cover all areas of the property under the scope of the audit. Further observations this year warrant upgrading the observation to a minor CAR. Please see CAR 2010.1 below.</p>

<p>Background/ justification: SPR uses mechanical control of invasive species on the Valencia property. However, in the SPR NTMP, herbicide use is allowed as a control method for invasive species as long</p>
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as it is in compliance with local laws and FSC P&C.	
OBS 2009.5	SPR should consult current FSC guidelines on chemical herbicide and pesticide use before using them in operations.
Reference	<i>FSC Pacific Coast Regional Indicators 6.6.a and 6.9.b</i>
FME response	The August 2009 Lockheed wildfire has presented a unique opportunity to control an isolated invasive French broom population. Research indicates that fire significantly reduces the French broom seed bank both above and below ground, however, native grassland seed banks remain unaffected. This provides a unique opportunity to control the spread of French broom, while supporting the recovery of native species. Given these conditions, SPR has prepared an extensive control plan, including both chemical application (glyphosphate at 3% solution) and hand-pulling, which has been approved for partial funding from the Santa Cruz County Weed Management Area. FSC guidelines were thoroughly consulted during development of the control and eradication proposal, which also includes further plans for maintenance and monitoring.
Auditor Comments	Due to extensive research, preparation and consultation of the FSC standard prior to any chemical application to the project area, there are no further observations regarding chemical application or invasive species control. The audit team notes how thorough SPR's preparation for this project has been, and commends their efforts to control invasive plant species on the property.

Background/ justification: SPR's management plan has been a working draft since 2004.	
OBS 2009.6	SPR should finalize the draft management plan.
Reference	<i>FSC Pacific Coast Regional Criterion Indicator 7.1</i>
FME response	SPR recognizes the intent of the observation, and does not wish to have an out of date document. However, the ranch staff feels they are likely two years away from finalizing the management plan.
Auditor Comments	Due to additional observations regarding the timeframe for updating and finalizing the draft management plan, this observation has been revised following this annual audit and the audit team is issuing a new observation for this year – please reference OBS 2010.1 below.

6.0 New Corrective Action Requests (CARs)

Nonconformity: While SPR has a clear old growth policy contained within the NTMP, the NTMP does not cover the entire property. The Valencia parcel also has an NTMP, but without an old growth policy, meaning that the area covered under the scope of the certificate is actually broader than the forest area covered by the old growth policy. Additionally, the policy is unclear regarding whether dead old growth trees are afforded the same protections as live old growth trees.	
Minor CAR 2010.1	SPR shall revise the old growth policy in such a way as to clarify and include protections for dead old growth trees. SPR shall also expand the policy to include all areas of the property under the scope of the certificate, while retaining the possibility to exclude from protection areas or individual trees that pose an unavoidable safety hazard.

Deadline	90 days after receipt of the audit report
Reference	<i>FSC Pacific Coast Regional Indicator 6.3.d.3</i>
Disposition of CAR	<p>In response to the oral presentation of this CAR at the closing meeting, following the May annual audit and prior to finalization of this report, SPR managers submitted the following revised policy on old growth:</p> <p><u>Old Growth Policy</u> <i>No old growth trees live or dead will be harvested on lands of Swanton Pacific Ranch. Old Growth characteristic redwood trees can be described as being approximately 60 inches at DBH and were present in the dominant over story during the late successional stages of forest development of the first-growth stands (pre 1800's). These trees have outward indicators such as platy bark with deep fissures, basal hollows with fire scars of multiple ages, large complex branching structures, flat tops, and limbs at least 8-10 inches in diameter that provide an opportunity for platforms/nesting.</i></p> <p><i>In very rare instances, an old-growth tree might have to be cut for workplace or public safety issue.</i></p> <p>This policy has been uploaded to the SPR website, found here: http://www.spranch.org/forest_management.ldml</p> <p>Auditor comments 6/11/10: On the basis of the actions taken by Swanton Pacific Ranch managers, the SCS Audit team concludes that closure of this CAR is warranted. However, the audit teams notes that it would be best if the updated old growth policy was also inserted into the relevant management and operations plans and documents, in addition to being available on the website.</p>

6.1 New Observations (OBS)

Background/ justification: SPR's draft management plan has been a working draft document since 2004, and is at risk of portions becoming out of date.	
OBS 2010.1	SPR should initiate the review process to update and finalize the management plan. They should prioritize sections to update and create a review schedule, with the goal of an updated, finalized management plan completed in one year.
Reference	<i>FSC Pacific Coast Regional Criterion 7.2</i>

Background/ justification: The premise behind SPR's salvage logging operation following the Lockheed fire is that trees sustained substantial enough damage, and thus reduced commercial value, to warrant removal. Ideally, if making such a presumption, a reference area with similar stocking and diameter classes where the damaged trees were not removed would provide evidence and further support the need for the salvage logging. However, no such formally established reference areas were noted during the audit. The audit team recognizes that such a reference area

might take decades to test the premise, but establishing the comparison would not only be an example of exemplary forest management, but would also further contribute to SPR's goal of "learning by doing," and expanding knowledge of forest management practices.	
OBS 2010.2	SPR should establish a reference area with similar stocking level, diameter classes and burn intensity, but outside the emergency notice area.
Reference	<i>FSC Pacific Coast Regional Criteria 6.4 and 6.1</i>

Background/ justification: Although the French broom control and eradication plan is an excellent example of thorough management and is in full compliance with the FSC standard, it would be beneficial if the glyphosate spray also included a dye, both from a cost perspective (to know the total area where application has occurred) and from a safety perspective, given that there will be hand-pulling.	
OBS 2010.3	SPR should contact their chemical applicator to investigate the ability and cost to include dye in the chemical.
Reference	<i>FSC Pacific Coast Regional Indicator 6.6.e</i>

7.0 Stakeholder Comment¹

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

Box 7.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable	
SCS was contacted by only one stakeholder since the 2009 audit of SPR. That contact entailed a series of emails focusing on SPR land management planning issues.	<input type="checkbox"/>
Stakeholder comments	SCS Response
Economic concerns	
No comments received regarding economic issues	
Social concerns	
SPR managers need to provide public use opportunities for Smith family members	Cal Poly officials are in active dialogue with this commenter; the commentor is developing a proposal for consideration by Cal Poly

¹ Per FSC requirements, annual stakeholder consultation, and reporting thereof, is not required for FME (forest management entities) that qualify as "small or low intensity managed forests" (SLIMFs). Nonetheless, stakeholder consultation was a part of this annual surveillance audit.

Environmental concerns	
Are old growth trees duly protected on the ranch?	Yes, SPR managers have a developed and incorporated in the management plan an old growth protection policy; the policy includes OG trees that have been killed by fire or other causes of mortality
SPR timber management increases downstream flooding and landslide risks	As has been stated in prior audit reports, SCS auditors do not agree that timber management activities in Little Creek drainage result in increased flooding and landslide risks

8.0 Certification Decision

Box 8.1 Surveillance Decision	
The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME's response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p>Comments: Based upon the information gathered during the annual audit, through document review, discussions and field observations, the audit team concludes that SPR's management of its forested lands continues to be in strong overall compliance with the FSC Principles and Criteria as further elaborated by the Pacific Coast Regional Standard. The audit team recognizes the situation posed by the Lockheed fire, and commends the staff response in the ensuing months. The audit team also recognizes that the fire has brought about many management questions that the Fire Recovery Committee is still grappling with, most importantly the salvage logging operation, its effects, and subsequent management needs. Given the events since the re-certification audit, the team notes the extraordinary effort that has gone into managing the property, and recognizes the opportunity the SPR staff are taking to learn and grow from the effects of the fire and implement a truly adaptive management system on the ground.</p>	

Section B - Appendices

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

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

Selection of FMUs for evaluation

SCS classifies FMUs included in the scope of the evaluation as sets of 'like' FMUs for the purpose of sampling. At times, SCS may select an FMU for evaluation due to a pertinent stakeholder issue or its proximity to another sampled FMU. A group or multiple FMU evaluation may consist of one or more sets of 'like' FMUs. In the case of forest management groups comprised of SLIMF and non-SLIMF FMEs, SCS samples non-SLIMF and SLIMF FMUs as separate strata.

These sets are selected to minimize variability within each set in terms of:

- a) Forest types (natural/ semi-natural vs. plantation);
- b) FMU size class – small, medium, and large FMUs (see Annex 1 of FSC-STD-20-007):

Size class	Main evaluation	Surveillance eval.	Re-evaluation
> 10,000 ha	$X = y$	$X = 0.8 * y$	$X = 0.8 * y$
> 1,000 – 10,000 ha	$X = 0.3 * y$	$X = 0.2 * y$	$X = 0.2 * y$
100 – 1,000 ha	$X = 0.8 * \sqrt{y}$	$X = 0.6 * \sqrt{y}$	$X = 0.6 * \sqrt{y}$
< 100 ha	$X = 0.6 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$

For each set of 'like' FMUs to be sampled, SCS selects a minimum number of units for evaluation (X) by applying the applicable formula in the size class table (y = total number of FMUs within a set of 'like' FMUs).

- c) Applicable national or regional Forest Stewardship Standard.

The results of this analysis of a) – c) are detailed below in terms of Non-SLIMF and SLIMF FMUs. In special cases, such as the high presence of HCVFs, controversial forest operations, stakeholder issues or so-called mega groups, SCS consults FSC-STD-20-007, Annex 1 and other FSC guidance.

Non-SLIMF FMUs

Natural/ Semi-Natural Forest Management

Name	Rationale for selection (check all that apply)	
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU

	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
Plantation Forest Management		
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
SLIMF FMUs		
Natural/ Semi-Natural Forest Management		
Name	Rationale for selection (check all that apply)	
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
Plantation Forest Management		
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:
	<input type="checkbox"/> Random sample	<input type="checkbox"/> Near other sampled FMU
	<input type="checkbox"/> Stakeholder issue	<input type="checkbox"/> Other:

Appendix 2 – Evaluation of Management Systems (CONFIDENTIAL)

The 2010 annual audit, as with all annual audits, included detailed opening and closing meetings, during which the audit team heard presentations and reviewed documentation pertaining to significant events on the property since the last annual audit and SPR's response to open CARs. Field sites were selected based on relevant CARs from the 2009 annual audit, and a planned review of SPR's salvage harvest due to the Lockheed Fire. Field sites included the Hill Slope Study Area to observe a high intensity burn area that was included in the salvage logging operation, and the area planned for French Broom management. SPR personnel and stakeholder interviews were conducted both prior to the audit and during the audit office and field visits. Auditor deliberation followed the field portion of the audit, and new CARs and Observations were discussed during the closing meeting. Also discussed at the closing meeting was the possibility of SPR expanding the scope of their certification to include an onsite COC certificate? SPR staff have a wood miser, with which they have been cutting lumber – so far the wood has only been used on site, primarily for lawn furniture at the Al Smith house, and has not been sold. SPR as yet has no intention of selling certified lumber from their property. Due to the interest in obtaining a COC certificate, the audit team also visited the wood miser site at the close of the audit day.

Following the close of the audit, SPR staff decided they would not pursue a COC certificate for their operation during this annual audit cycle.

Appendix 3 – Stakeholder analysis (CONFIDENTIAL)

3.1 Stakeholder list (confidential)

Name/ Title	Organization	Contact	Consultation method
Corey LaMar	ESRI – member of extended Smith family	clamar@esri.com , 951 781 9641	This stakeholder contacted SCS through a series of emails following the 2009 audit.

3.2 Stakeholder review, complaints, and resolution

SCS was contacted by only one stakeholder since the 2009 audit of SPR. That contact entailed a series of emails focusing on SPR land management planning issues.

Box 3.2.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable	
FME has not received any stakeholder complaints and the annual audit uncovered no known disputes since the previous evaluation. SCS has not received any complaints from stakeholders regarding its performance or treatment of FME's management system.	<input type="checkbox"/>
Stakeholder comments	
Economic concerns	
No comments received regarding economic issues	
Social concerns	
SPR managers need to provide public use opportunities for Smith family members	Cal Poly officials are in active dialogue with Mr. LaMar regarding this issue; Mr. LaMar is developing a proposal for consideration by Cal Poly specific to the use opportunities in question.
Environmental concerns	
Are old growth trees duly protected on the ranch?	Yes, SPR managers have a developed and incorporated in the management plan an old growth protection policy; the policy includes OG trees that have been killed by fire or other causes of mortality

SPR timber management increases downstream flooding and landslide risks	As has been stated in prior audit reports, SCS auditors do not agree that timber management activities in Little Creek drainage result in increased flooding and landslide risks
SCS Performance	
No comments were received on SCS's performance	

Appendix 4 – Additional Audit Techniques Employed (CONFIDENTIAL)

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

Appendix 5 – Changes in Certification Scope

There were no changes in the scope of the certification during the previous year and no changes as a result of the 2010 annual audit

Appendix 6 – Pesticide derogations

SPR has not submitted any pesticide derogation requests.

Name of pesticide/herbicide	Date derogation received	Condition(s) imposed by FSC	Annual progress on conditions
See the following FSC documents for more information on pesticide derogations:			
Processing pesticide derogation applications , FSC-PRO-01-004		FSC Fee Structure For Processing Pesticide Derogations , FSC-ADV-30-002	
Approved derogations for use of pesticides, FSC-GUI-30-001a		FSC Forest Managers Checklist For Developing Derogation Applications , FSC-PRO-01-004a	

Appendix 7 – Detailed observations (CONFIDENTIAL)

Evaluation year	FSC P&C Reviewed
2009	All – Recertification Evaluation
2010	C4.4, P6, C7.2, C7.2, C7.4
2011	
2012	
2013	
2014	

C= Conformance with Criterion

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

NC= Non-Conformance with Criterion

REQUIREMENT	C/N C	COMMENT/CAR
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.		
C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.		
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).		
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	SPR has a new online comment system accessible through their website, where any comments or complaints can be collected and read by staff and management.
C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.		
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.		
C6.1. 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.	C	Much consideration has been given to the salvage logging operation on SPR – many viewpoints represented. Perhaps not adequate reference areas designated– areas with similar burn intensity and stocking levels that were not logged, left to provide comparison with those sites that were logged, to see how logging affects regeneration and how fire ultimately affected log value and tree mortality.
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.		SPR conducts rare/native plant monitoring, and has adequate protections in place to protect rare or native plant communities, particularly regarding threats from exotic invasive species.

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.		Guidelines and policies for protection of old growth trees and stand characteristics, as well as retention of woody debris and snags are located in the NTMP and appropriate management documents, as well as now listed on the website. In response to the 2010 audit, SPR managers updated their old growth policy, and the new version is available on the website.
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.	C	There is some question as to whether SPR has adequately looked outside the boundaries of their property and incorporated a regional perspective when determining what forest ecosystems are protected and represented on their property. Dr. Hayes did the initial analysis, and it seems he may have caused a regional perspective. Further findings are presented in CAR 2009.4
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.		SPR road management and construction is exemplary. Damage to roads, drainage systems and water monitoring equipment from the Lockheed fire has been assessed, and repairs made where necessary. Monitoring of erosion risks after fire have been exemplary
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 to minimize health and environmental risks.	C	Intended chemical application as part of the French Broom management plan was reviewed – all plans for chemical use are in full compliance with this criterion, and the planning for invasive species management has been exemplary. For further notes see Obs. 2009.5 and Obs. 2010.3
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.	C	No evidence of inappropriate methods of chemical waste disposal was observed during this surveillance audit.
C6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.	NA	No biological control agents are used within SPR forest lands.
C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.	NA	No exotic species are employed on SPR.
C6.10. Forest conversion to plantations or non-forest land	C	There is no forest conversion taking place on SPR forest lands.

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.		
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/NC	While all necessary components (items a through i) are present in SPR's management plan, the plan is still in draft form, and has not yet been finalized.
7.1.a. Management objectives		
7.1.b. Description of forest resources to be managed, environmental limitations, land use and ownership status, socioeconomic conditions, and profile of adjacent lands		
7.1.c. Description of silvicultural and/or other management system		
7.1.d. Rationale for the rate of annual harvest and species selection		
7.1.e. Provisions for monitoring forest growth and dynamics.		

7.1.f. Environmental safeguards based on environmental assessments (see also Criterion 6.1).		
7.1.g. Plans for the identification and protection of rare, threatened, and endangered species. (see also Criterion 6.3)		
7.1.h. Maps describing the forest resource base including protected areas, planned management activities, and land ownership.		
7.1.i. Description and justification of harvesting techniques and equipment to be used. (see also Criterion 6.5)		
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	Because the management plan is still in draft form, it has not been updated on an adequate schedule – sections of the plan are at risk of becoming out of date, particularly given the extent and impact of last year's Lockheed Fire.
C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.		
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 forest management plan and NTMPs are available on SPR's website.