



FOREST CERTIFICATION MANAGEMENT REVIEW REPORT

Approved by:

DNR Resource Bureau Management Team

June 23, 2014

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This publication is available in alternative formats upon request.

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I. BACKGROUND

Michigan's state forest was dual certified by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) in 2005. Each certification system has a requirement for a management review and the promotion of continual improvement (FSC Objective 13 and SFI Performance Measure 20.1).

Management Review Process

Work Instruction 1.2 establishes the management review which is a systematic process for evaluation of forest management practices and to promote continual improvement in the management of the state forest system. The review includes a report of the previous year's implementation efforts, evaluates audit results for state forest operations, an assessment of the effectiveness of work instructions, implemented changes relating to past audit results and identifies changes or improvements necessary for continued conformance with FSC and SFI standards necessary to maintain certification.

Focus of Management Review Meeting:

Discuss and make management decisions to:

- A. Clear any SFI and FSC Corrective Action Requests (CARs) and implement corrective action responses,
- B. Review unresolved Non-conformance Reports (NCR) from past internal audits and develop strategies to resolve them,
- C. Review pending actions proposed at previous management reviews that are not fully implemented, Identify needed revisions to work instructions, and
- D. Identify other actions for continual improvement of state forest operations.

Recommended timeline for review of Management Review Report (MRR) and proposed Work Instruction (WI) revisions:

- A. The Forest Resources Division (FRD) and Wildlife Division (WLD) Field Coordinators agree on a draft Management Review Report (MRR) and draft Work Instruction revisions, which will be forwarded to the FRD, WLD, Fisheries Division (FD), Law Enforcement Division (LED), and Parks & Recreation Division (PRD) Management Teams by March 7, 2014.
- B. Management Team comments on MRR and draft Work Instruction revisions are due April 4, 2014 to Dennis Nezich who will review with the FCT Executive Committee.
- C. Send MRR and draft Work Instruction revisions to Resource Bureau Management Team for information by May 20, 2014 with approval desired by June 24, 2014.
- D. FRD District supervisors, WLD Regional supervisors, LED Field Coordinator, PRD Field Coordinator, and Fisheries Division Unit Managers, and the Forest Planning and Operations Section Leader will ensure implementation of management review decisions following approval by the Resource Bureau Management Team.

Implementing Program Improvements:

- A. Whenever possible, immediate changes will be made to remedy identified non-conformances.
- B. The Forest Certification Team (FCT) will be responsible for ongoing management review of implementation and for recommending actions necessary to improve sustainable management of forest resources.

- C. Division Management Teams will review decisions related to remedies and improvements.
- D. The Resource Bureau Management Team will review and approve management review decisions that identify changes and improvements necessary at all Department of Natural Resources (DNR) levels to continually improve conformance with work instructions and standards.
- E. Division Chiefs will ensure changes and improvements approved by the Resource Bureau Management Team are implemented via written communication to employees.

II. 2013 SURVEILLANCE AUDITS

The 2013 forest certification audit was held on October 7-11, 2013. The FSC audit was a surveillance audit, and the SFI audit was a re-certification audit. The 2013 audit involved an evaluation of all FSC and SFI Corrective Action Requests (CARs) issued during the 2012 surveillance audit and an evaluation of select forest certification indicators included in the FSC-US Forest Management Standard (v1.0) and SFI 2010-2014 Standard. Additionally, the SFI and FSC auditors closely reviewed changes within the DNR (e.g., staffing, budget, land acquisitions, planning documents) pertinent to certification.

This year's audit involved a four-member team: Dr. Robert Hrubes (lead auditor for FSC), Norman Boatwright (lead auditor for SFI); Kyle Meister (FSC) and JoAnn Hanowski (SFI). The audit was conducted on the Sault Ste. Marie (West) (October 7), Pigeon River Country (October 8), Grayling (October 9 & 11) and Roscommon (October 10) Forest Management Units (FMU). A list of DNR staff who participated in the audit is listed in Appendix C and is shown by management unit and date.

A. FSC Certification Decision:

The complete surveillance audit report is available on the Forest Certification website (http://www.michigan.gov/dnr/0,4570,7-153-30301_39170-318246--,00.html). The audit occurred October 7-11, 2013.

At the commencement of the 2013 annual surveillance audit, on October 8, 2013, the Open Findings were comprised of six observations issued during the 2012 annual surveillance audit. On the basis of the responses provided by DNR to these observations, as well as other information gathered by the auditors during the 2013 audit, the following results were achieved:

1. Observation 2012.1, Indicator 6.4.c regarding the Completion of the BCPP/BSA Process has been raised to a Major Corrective Action Request.
2. Observation 2012.2, Indicator 5.6 regarding Out-of-Year-of-Entry Harvests has been closed.
3. Observation 2012.3, Indicators 1.5.a and 1.5.b regarding Unauthorized Encroachment onto State Land has been kept open for another year, to be reviewed in the 2014 audit.
4. Observation 2012.4, Indicators 6.3.a.1 and 6.3.f regarding Patch Reserves in Aspen Clearcuts has been raised to Minor Corrective Action Request.
5. Observation 2012.5, Indicator 7.3.a regarding Parks and Recreation Division Staff Training has been closed.
6. Observation 2012.6, Indicators 5.4.b and 5.5.a regarding Hunter Walking Trails has been closed.

Additionally, one Minor CAR was raised as a result of the 2013 audit and was subsequently closed on the basis of corrective actions undertaken by DNR and conveyed to the FSC auditors on October 23, 2013.

1. Minor Corrective Action Request 2013.4, Indicator 6.7.b regarding a Hydraulic Fluid Spill has been closed.

The Open Findings as of November 6, 2013 are summarized in the following excerpts from the FSC audit report:

1. Observation 2012.3, Indicators 1.5.a and 1.5.b regarding Unauthorized Encroachment onto State Land has been kept open for another year, to be reviewed in the 2014 audit.

A chronic problem that DNR has had to deal with is unauthorized encroachment onto State Forest lands by neighbors (e.g., private structures or roads partially or entirely located on State Forest land). As the problem has grown, DNR has initiated policies, initiatives and actions aimed to control encroachment. In the last few years, the DNR has ramped up its effort and it intends to be less accommodating, with regard to resolution of specific cases, after the end of 2012. As of the time of the audit (October, 2012), the DNR was anticipating the finalization of a new, stronger procedure for handling encroachment cases. To avoid a possible non-conformity, the DNR should:

- a) Finalize and implement the revised procedure,
- b) Provide support to field staff dealing with encroachment,
- c) Endeavor to improve on the current approach of checking only 10% of State Forest boundary lines per year (10-year cycle).

2. Minor Corrective Action Request 2013.1, Indicators 6.3.a.1 and 6.3.f regarding Patch Reserves in Aspen Clearcuts (elevated from Observation 2012.4).

Auditors observed oak-pine, northern hardwood, aspen, and conifer-hardwood swamp harvests in 2013. Snags and other woody debris were observed in all harvest units. Retained groups and individuals usually are conifers and oaks in aspen stands with smaller diameter aspens incidental to this retention. Non-aspen harvests include retention of dominant species throughout various diameter classes. Most areas include retention of trees representative of dominant species, with the exception of aspen harvests, where larger sized aspens are either not retained or are retained at harvest unit edges where they risk being taken during the harvest of an adjacent compartment/ stand. While DNR included a discussion of options for retention based on species composition, dominance, opening size and other factors, incorporation of these retention options into DNR guidelines for all districts was not completed by the time of the 2013 audit. The DNR risks failure to maintain or recruit habitat components and stand structures cited in Indicator 6.3.f associated with dominant species in aspen harvests.

Particularly with respect to the layout and execution of aspen harvest units, the DNR must develop and implement a means of tracking area retention to:

- a) Maintain, enhance, and/or restore under-represented successional stages that would naturally occur on the types of sites found on the FMU.

- b) Ensure that its management systems maintain, enhance, or restore habitat components and associated stand structures, in abundance and distribution that could be expected from naturally occurring processes, with an emphasis on measures to retain dominant species found on the site.

3. Major Corrective Action Request 2013.2, Indicators 6.3.a.2, 6.4.a, 6.4.b, 6.4.c, 6.4.d and 6.4.e regarding the Completion of the Biodiversity Conservation Planning Process/Biodiversity Stewardship Area (BCPP/BSA) Process.

From the 2012 audit findings: Throughout much of 2012, development of the Regional State Forest Management Plans (RSFMP) required the dedication of staff resources that, to a substantial degree, were redirected from the Biodiversity Conservation Planning Process. Now that the RSFMP process is largely completed, it is important that staff resources are rededicated to completion of the BCPP/BSA process, which has suffered from numerous delays since at least 2008. Completion of the BCPP process, including key tasks such as delineating BSAs on the state forests and identifying compatible land uses for the BSAs, has been the focus of numerous FSC Findings since 2008 (CAR 2008.1, CAR 2009.1, OBS 2010.9, OBS 2010.19). The credibility of the FSC certification process as applied to the DNR is not enhanced by this protracted delay.

In the 12 months between the 2012 and 2013 annual audits, DNR's Statewide Biodiversity Team completed a statewide assessment/identification of potential BSAs. The results of the statewide assessment were conveyed to the DNR Resource Bureau Management Team on April 9, 2013, accompanied by an Issues Statement. Within the Issues Statement, three possible options for proceeding with the Living Legacies Initiative were outlined. These options were:

- a) Do nothing at the present time.
- b) Proceed with the current approved Living Legacy Implementation process -- Internal to DNR.
- c) Develop a new process for conserving biodiversity to meet forest certification requirements.

At the opening meeting of the 2013 annual audit, the SCS audit team was informed that no response to or actions resulting from the April 9th submittal had as yet been issued by the Resource Bureau Management Team. The audit team construes this to mean, at least on a de facto basis, that the DNR has elected Option 1, to do nothing.

After many years of addressing the underlying issues through numerous certification findings, the lack of any action since April 9, 2013 and the ongoing failure to complete a pathway for demonstrating compliance with FSC Indicator 6.3.a.2 and Indicators 6.4.a, b, c*, d, and e, the audit team is left with no choice but to find that DNR is in Major Non-Compliance with those elements of the FSC certification standard.

**NOTE:* The 2008 Michigan State Forest Management Plan (pages 183-184) and Forest Certification Work Instruction 1.4 define allowable management activities that are compatible with or necessary to maintain RSAs; however, how RSAs are managed is integral to the larger discussion about re-defining and updating the network of RSAs. Given this, the work instruction may or may not need to be modified once DNR completes its RSA assessment.

4. Minor Corrective Action Request 2013.3, Indicators 6.5.b and 6.5.e.1 regarding Vernal Pool Best Management Practices.

An incident was observed during the 2013 surveillance audit in which harvesting operations did not meet or exceed Best Management Practices (BMPs) that address riparian management zones (RMZs) for vernal pools. Trees were felled into a vernal pool and trees were not reserved from harvest around the entire periphery of the vernal pool, per the State DEQ BMP manual (p. 29).

5. Observation 2013.5, Indicator 9.1.a regarding HCV3 Protected Roadless Areas.

Draft guidance from FSC-US under HCV3 states that "Roadless areas are forested areas without evidence of roads or skid trails." Further draft guidance from FSC-US provides guidance on size of roadless areas: "500 acres is a general size guideline, not a definitive minimum, and generally applies to 'block' shaped areas rather than linear figures such as riparian zone." Interviews with DNR staff indicate that there is no definition for roadless area within the current management framework.

The intent of HCV3 is to protect forest areas that are in or contain rare, threatened or endangered (RTE) ecosystems. Not all roadless areas contain RTE ecosystems; Michigan contains some large ecotypes that cover large acreages due to landform and soil parent material, but are not necessarily RTE ecosystems (e.g., boreal forest elements).

B. SFI Certification Decision:

The complete re-certification audit report is available on the Forest Certification web site (http://www.michigan.gov/dnr/0,4570,7-153-30301_39170-318246--,00.html). The re-certification audit occurred October 7-11, 2013.

Review of 2012 Audit Findings and Disposition in the 2013 Recertification Audit

Three opportunities for improvement were identified during the 2012 audit:

1. There is an opportunity to improve response times to internal audit findings. SFI Indicator 20.1.3 requires "Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the SFI 2010-2014 Standard." Resolved: Annual management review occurred in May 2013 and the report, including internal/external findings and DNR recommendations, was distributed to appropriate staff.
2. There is an opportunity to improve road maintenance, including frequency of road grading. SFI Indicator 2.3.3 requires "Use of erosion control measures to minimize the loss of soil and site productivity." Resolved: Site visits and a review of 2013 RDR and Road and Bridge Projects indicates ample road construction projects are conducted. The DNR is also seeking additional funding sources for road maintenance.
3. There is an opportunity to improve protection of regeneration from adverse effects of deer on natural regeneration (carryover from 2011). SFI Indicator 2.1.3 requires "Clear criteria to judge adequate regeneration and appropriate actions to correct understocked areas and achieve acceptable species composition and stocking rates for both planting and natural regeneration." Resolved: The DNR has clear criteria and defined time lines to ensure natural regeneration success in northern hardwood stands.

Overview of 2013 Audit Findings

The SFI Program of the Michigan DNR has achieved continuing conformance with the SFI Standard®, 2010-2014 Edition, according to the NSF-ISR SFIS Certification Audit Process.

Two new minor non-conformances were identified and no opportunities for improvement were identified.

1. Core Indicators 3.1.1 (BMP implementation) and 3.2.4 (protection of non-forested wetlands). The site visit to the active Russell Lake Aspen timber sale (sale #71-005 Roscommon FMU) identified BMP issues on two vernal ponds in an area that had recently been harvested (the ponds were not painted out). Two trees were cut and dropped in one of the ponds and approximately 80% of the tree canopy around both ponds was removed. The MIDNR BMP manual “Sustainable Soil and Water Quality Practices on Forest Land” (Rev. 2/24/2009) on page 29 under the Vernal Pools, Seeps, and Intermittent Steams Section, states: “All equipment, trees and tops should be kept out of this area” and “Timber harvesting can occur in the area, but the canopy closure should not be reduced to less than 70% to minimize the effect of sun and wind”. A larger vernal pond in the harvested area had been painted out and had no issues.
2. Core Indicator 4.1.5 (landscape level habitat management). The Living Legacies initiative (formerly the Biodiversity Conservation Planning Process) has suffered from numerous delays since at least 2008. Completion of the initiative, including key tasks such as delineating Living Legacy areas on the state forests and identifying compatible land uses for them, has not been accomplished.

Exceptional Practices:

NSF-ISR also identified the following areas where forestry practices and operations on DNR lands exceed the basic requirements of the SFI Standard:

1. DNR provides and promotes (through advertising, brochures, maps, etc.) extensive, high-quality recreation opportunities.
SFI Performance Measure 5.4 “Program Participants shall support and promote recreational opportunities for the public.”
2. Financial and in-kind support of research exceeds the requirements.
SFI Indicator 15.1.1 “Financial or in-kind support of research to address questions of relevance in the region of operations.”
3. Employee training, recordkeeping and annual training reviews exceed the requirements.
SFI Indicator 16.1.3: “Staff education and training sufficient to their roles and responsibilities.”
4. DNR conducts considerable outreach through its forest extension and CFM programs.
SFI Performance Measure 17.2: “Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.”

The audit team commends the DNR for these exemplary practices and for the fine work done throughout the organization to ensure that the lands under its stewardship are sustainably managed.

The next audit is a surveillance audit, scheduled for October 2014. This will be a review of portions of the standard covering central office functions and operations at a sample of 3 of the 15 FMUs.

C. Internal Audits:

DNR Work Instruction 1.2 specifies that internal audits be conducted annually. The FMUs selected for internal audit in 2013 were Gladwin, Pigeon River Country and Grayling. The complete surveillance audit report for each of the three audited forest management units is available on the Forest Certification website.

Based upon audit results, DNR internal auditors identified no “statewide” major non-conformances that require attention during the 2014 Management Review.

Non-conformance reports from the 2012 and 2013 internal audits that have not been closed out are listed in Appendix A. Comments in regard to these NCRs are noted.

In addition to the minor non-conformances (table below), the internal audits identified 21 opportunities for improvement (Gladwin – 13, Grayling – 6 and Pigeon River Country – 2).

WI	#FMUs w/ NCRs	Summary of Internal Audit Non-conformances
1.1	1	Specific documented direction concerning treatments on state forest lands was found to be lacking in documented input (Gladwin).
1.2	2	2013 annual Management Review was not finalized by the time of the internal audit (Grayling). No inclusion of wildlife benefit of management proposals on purchased land (Pigeon River Country).
1.3	None	
1.4	1	There are no clear and documented special conservation objectives for the Old Fur Farm State Wildlife Management Area (Gladwin).
1.5	None	
1.6	None	
1.7	None	
2.1	2	Inventory records are not updated because treatment completion reports and planting summaries are not available in the unit (Gladwin). Open ended acceptable regeneration is vague and no alternative regeneration was listed in the operations inventory, stand record not updated and no after-the-fact approval was found (Pigeon River Country).
2.2	2	No record on file of need determination or what types of public notification were used with respect to pesticide use (Grayling). Pesticide application proposal was not found on file in the unit office for a partner run project (Pigeon River Country).
2.3	None	
3.1	2	Salvage was not previously prescribed, forest treatment proposal was initiated out-of-year-of-entry and not routed through Chapter 7, and appropriate sign-offs for forest treatment proposals were not obtained prior to implementation (Grayling).

WI	#FMUs w/ NCRs	Summary of Internal Audit Non-conformances
3.2	2	Illegal stream crossing and off-road vehicle crossing damage observed with no resource damage report in the database (Grayling). Resource damage reports were not complete in the database (Pigeon River Country).
3.3	1	Work instruction has not been updated with a new process for closing roads after the disbanding of the Ecoteam (Grayling).
5.1	None	
6.1	None	
6.2	2	Missing stop sign on off-road vehicle trail where it crosses a woods road (Grayling). Equestrian stakeholders reopened a closed trail and erected signage indicating it was open for equestrian use and failure to address a water quality issue at a watering hole (Pigeon River Country).
6.3	1	Staff were unaware of the Sustainable Forestry Initiative inconsistent practice system and the 800 number for reporting stakeholder concerns (Pigeon River County).
7.1	3	Poor use of wood was observed (Gladwin). Hard hats were not worn at an audit stop on open timber sale with no equipment on sight (Grayling). Wood decked against live trees, skidder operator failed to wear hardhat, and failure to record residual basal area (Pigeon River Country).
7.2	None	
8.1	1	Lack of awareness of training needs, training records and reporting of training events (Pigeon River Country).
9.1	None	

III. DECISIONS, CORRECTIVE ACTIONS, DIRECTION, RESPONSIBILITY AND TIME LINES

A. Clarify the Scope of Certification:

Recommendation:

The FRD/PRD Transition Team needs to complete an issue statement by June 1, 2014 for the purpose of informing a joint FRD/PRD/WD Field Coordinator decision to clarify whether rail trail corridors within state forest compartment are in or out of scope for purposes of forest certification.

B. Management Review (WI 1.2):

Recommendation:

FMUs to internally audit in 2014 include:

- WUP District: Escanaba
- EUP District: Shingleton
- ENLP District: Gaylord
- WNLP District: None

Recommendation continuing from 2013:

The FRD Forest Planning and Operations Section needs to evaluate and propose to the Resource Bureau Management Team a recommendation for the purpose, roles and responsibilities of the Forest Certification Team, and to identify necessary team composition in the upcoming year.

C. ORV Program:

No Comments/Recommendations

D. Planning (WI 1.3, 1.6):

Recommendation:

1. The FRD Resource Assessment Unit will create a GIS layer in the Geographic Decision Support Environment (GDSE) that identifies how land was acquired by October 1, 2014.
2. FRD Inventory Specialist and Inventory Planning Specialists will work with FRD Unit Managers to design and implement a tracking system for retention areas possibly using Site Condition coding in the Integrated Forest Monitoring and Assessment and Prescription system (IFMAP) by August 1, 2014. (**See Correction Action Request for FSC Minor CAR 2013.1 in the below biodiversity section E.**)

E. Biodiversity (WI 1.4)

FSC Major CAR 2013.2 FSC-US 6.3.a.2, 6.4.a, 6.4.b, 6.4.c, 6.4.d, 6.4.e.

Non-Conformity:

Throughout much of 2012, development of the Regional State Forest Management Plans (RSFMP) required the dedication of staff resources that, to a substantial degree, were redirected from the Biodiversity Conservation Planning Process. Now that the RSFMP process is largely completed, it is important that staff resources are rededicated to completion of the BCPP/BSA process, which has suffered from numerous delays since at least 2008. Completion of the BCPP process, including key tasks such as delineating BSAs on the state forests and identifying compatible land uses for the BSAs, has been the focus of numerous FSC Findings since 2008 (CAR 2008.1, CAR 2009.1, OBS 2010.9, OBS 2010.19). The credibility of the FSC certification process as applied to the DNR is not enhanced by this protracted delay.

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- a) Do nothing at the present time.
- b) Proceed with the current approved Living Legacy Implementation process - Internal to DNR.
- c) Develop a new process for conserving biodiversity to meet forest certification requirements.

At the opening meeting of the 2013 annual audit, the SCS audit team was informed that no response to or actions resulting from the April 9th submittal had as yet been issued by the Resource Bureau Management Team. The audit team construes this to mean, at least on a de facto basis, that the DNR has elected Option 1, to do nothing.

After many years of addressing the underlying issues through numerous certification findings, the lack of any action since April 9, 2013 and the ongoing failure to complete a pathway for demonstrating compliance with FSC Indicator 6.3.a.2 and Indicators 6.4.a, b, c*, d, and e, the audit team is left with no choice but to find that DNR is in Major Non-Compliance with those elements of the FSC certification standard.

Corrective Action Request:

DNR must submit to SCS a written plan of action, endorsed by the Resource Bureau Management Team, for establishing a network of designated areas on the lands administered by the DNR. The network of designated areas must be fully responsive to the requirements for representative sample areas (RSA) (6.4.a.-6.4.e) and protected areas (6.3.a.2). The network must include representative samples of more common (S4 and S5) natural communities as well as rare ecological communities (S1, S2 and S3).

The plan of action must include timelines, milestones and allocation of staff resources that collectively provide clear indication that the designation of said areas will be completed and duly formalized by the time of the 2014 annual surveillance audit.

SFI Minor Non-Conformance: Core Indicator 4.1.5 (landscape level habitat management). The Living Legacies initiative (formerly the Biodiversity Conservation Planning Process) has suffered from numerous delays since at least 2008. Completion of the initiative, including key tasks such as delineating Living Legacy areas on the state forests and identifying compatible land uses for them, has not been accomplished.

Recommendation:

The DNR's Resource Bureau Management Team needs to approve a written plan of action for establishing a network of designated areas on state lands that are responsive to the requirements for representative sample areas and protected areas by **April 13, 2014**. Designation of said areas must be significantly underway or completed by the time of the 2014 surveillance audit.

FSC Minor CAR 2013.1 FSC Indicator(s): FSC-US 6.3.a.1 and Indicator 6.3.f Non-Conformity:

Aspen harvests include retention of trees in groups and individuals consisting mainly of oak and conifer species or existing snags. Within aspen harvest units, especially those maintained under shorter rotations, retention of older aspen age classes in larger clearcuts (e.g., >40 acres) is frequently limited to the edges of timber sale boundaries for operational efficiency. While this retention is noted within the prescription for the timber sale and would hopefully then be referenced in planning future harvests of the same stand, this retention currently is not tracked in the IFMAP system that is used for planning forest harvests. Aspen retained along timber sale boundaries for the purposes of maintaining a representative portion of a stand could be confused as being part of an adjacent stand or compartment that was not recently harvested. The DNR therefore risks losing this under-represented successional stage of aspen in the FMU (Indicator 6.3.a.1).

Auditors observed oak-pine, northern hardwood, aspen, and conifer-hardwood swamp harvests in 2013. Snags and other woody debris were observed in all harvest units. Retained groups and individuals usually are conifers and oaks in aspen stands with smaller diameter aspens incidental to this retention. Non-aspen harvests include retention of dominant species throughout various diameter classes. Most areas include retention of trees representative of dominant species, with the exception of aspen harvests, where larger sized aspens are either

not retained or are retained at harvest unit edges where they risk being taken during the harvest of an adjacent compartment/ stand. While DNR included a discussion of options for retention based on species composition, dominance, opening size and other factors, incorporation of these retention options into DNR guidelines for all districts was not completed by the time of the 2013 audit. The DNR risks failure to maintain or recruit habitat components and stand structures cited in Indicator 6.3.f associated with dominant species in aspen harvests.

Corrective Action Request:

Particularly with respect to the layout and execution of aspen harvest units, the DNR must develop and implement a means of tracking area retention to:

- a) Maintain, enhance, and/or restore under-represented successional stages that would naturally occur on the types of sites found on the FMU.
- b) Ensure that its management systems maintain, enhance, or restore habitat components and associated stand structures, in abundance and distribution that could be expected from naturally occurring processes, with an emphasis on measures to retain dominant species found on the site.

Recommendation: The FRD Planning and Operations Section will re-evaluate the retention guidance for the aspen cover type to ensure conformance with FSC-US Indicator 6.3.a.1 and Indicator 6.3.f.

FSC Observation 2013.5: FSC-US 9.1.a.

Draft guidance from FSC-US under HCV3 states that “Roadless areas are forested areas without evidence of roads or skid trails.” Further draft guidance from FSC-US provides guidance on size of roadless areas: “500 acres is a general size guideline, not a definitive minimum, and generally applies to ‘block’ shaped areas rather than linear figures such as riparian zones.” Interviews with DNR staff indicate that there is no definition for roadless area within the current management framework.

The intent of HCV3 is to protect forest areas that are in or contain rare, threatened or endangered (RTE) ecosystems. Not all roadless areas contain RTE ecosystems; Michigan contains some large ecotypes that cover large acreages due to landform and soil parent material, but are not necessarily RTE ecosystems (e.g., boreal forest elements).

Recommendation:

Complete the identification of a new network of ERAs (as above) for subsequent use in identifying any areas that may meet the definition of HCV3 Roadless Areas.

F. DNR Approval Process for Intrusive Activities (WI 3.1)

Continuing from 2008, 2009, & 2010	In coordination with other DNR divisions, the FRD Forest Planning and Operations section (FPO) is taking the lead in developing a DNR policy and procedure that clearly outlines the procedure for preparing Forest Treatment Proposals (FTP) and completion reports and the subsequent updating of forest inventory records.
Decision in 2011	The FTP process (and the new IFMAP activity tracking process that will replace it) needs to be documented and distributed to staff along with training by the FPO section by October, 2011. WI 3.1 will need to be updated to reflect the new activity tracking process. Staff need to routinely document completion of treatments and District Supervisors need to follow up and ensure implementation per work instructions and previous management review guidance.
Continuing from 2012	The FRD FPO section will provide interim guidance to DNR staff on the FTP procedure to follow until the IFMAP activity tracking (or other mechanism) is fully implemented.
Continuing from 2013	Interim guidance is a continuing need, and should be provided by the FRD FPO section by August 1, 2013.

Recommendation for FTP process: Interim guidance is a continuing need, and should be provided by the FRD FPO section by July 1, 2014. Field coordinators will ensure implementation and conduct necessary training.

G. Event and Non-Event Use Permits (WI 3.1)

Recommendation:

PR1138 / PR1138-1 Event and Use of State Lands Application Forms shall be utilized for event and non-event use permits on certified state forest lands. The FRD is the land administering division (LAD) for campgrounds, pathways, trails, snowmobile and ORV trails located on state forest land, and PRD is the LAD for rail trails. When an event or non-event use permit application is received, the receiving LAD will notify the other interested divisions and the application will be processed as described below. Approvals by the listed divisions are required prior to issuing a permit. If comments or conditions are received, the permit issuer is responsible to include said conditions. The PRD Trail Specialists are the key liaisons between FRD and PRD. The Trail Specialist should be contacted when questions arise about who is responsible or needs to be involved in a review of an event or non-event use permit application.

Review and approval of event and non-event use permit applications shall comply with the following:

Location Request	Permit Type	Issued By	Approved By	Comments
Rail Trails	Event Permits & Non-Event Use Permits	PRD	FRD, WD, LED	If the event is within the boundary of the State Forest then the final permit must always be provided to FRD for certification purposes. FD needs to review if within 500 feet of a lake or stream. Note: A MOU for managing Rail Trails on or adjacent to State Forest land is being developed.
Designated Campgrounds, Boating Access Sites and Trails (snowmobile, pathways, ORV, ski, equestrian)	Event Permits	PRD	FRD, WD, LED	FD needs to review if within 500 feet of a lake or stream. This applies to events and uses located entirely within a designated facility.
Designated Campgrounds, Boating Access Sites and Trails (snowmobile, pathways, ORV, ski, equestrian)	Non-Event Use Permits	FRD	PRD, WD, LED	FD needs to review if within 500 feet of a lake or stream.
State Forest Land (other than that listed above)	Event Permits located entirely on State Forest land. Non-Event use permits on State Forest land except designated sites	FRD	WD, LED	FD needs to review if within 500 feet of a lake or stream. PRD review is needed if within 500 feet of a recreational facility.
Any recreational event that crosses non-DNR ownerships or multiple DNR LADs	Event Permits	PRD Rec. Specialist	FRD, WD, LED	FD needs to review if within 500 feet of a lake or stream. PRD review is needed if within 500 feet of a recreational facility. FRD approval is required.

H. BMPs and RDRs (WI 3.1, 3.2)

FSC Minor CAR 2013.3: FSC-US indicators 6.5.b and 6.5.e.1. An incident was observed during the 2013 surveillance audit in which harvesting operations did not meet or exceed Best Management Practices (BMPs) that address riparian management zones (RMZs) for vernal pools. Trees were felled into a vernal pool and trees were not reserved from harvest around the entire periphery of the vernal pool, per the State DEQ BMP manual (p. 29).

SFI Minor Non-Conformance: Core Indicators 3.1.1 (BMP implementation) and 3.2.4 (protection of non-forested wetlands). The site visit to the active Russell Lake Aspen timber sale (sale #71-005 Roscommon FMU) identified BMP issues on two vernal ponds in an area that had recently been harvested (the ponds were not painted out). Two trees were cut and dropped in one of the ponds and approximately 80% of the tree canopy around both ponds was removed. The MIDNR BMP manual “Sustainable Soil and Water Quality Practices on Forest Land” (Rev. 2/24/2009) on page 29 under the Vernal Pools, Seeps, and Intermittent Steams Section, states: “All equipment, trees and tops should be kept out of this area” and “Timber harvesting can occur in the area, but the canopy closure should not be reduced to less than 70% to minimize the effect of sun and wind”. A larger vernal pond in the harvested area had been painted out and had no issues.

Recommendations:

1. FRD and FD will continue to support the SFI Statewide Implementation Committee’s annual BMP monitoring program via FRD and FD staff support in the Michigan BMP audit process.
2. In conjunction with other District-level training, FRD FPO section will provide refresher BMP training for foresters and wildlife biologists regarding management of riparian management zones (RMZs) and vernal pools by August 1, 2014. (Note that an email from David Price dated 12/16/13 to Unit Managers highlighted this CAR and requested that staff be reminded to review the sections on vernal pools in the Soil and Water Quality manual).

I. Research (WI 5.1)

No Comments/Recommendations

J. Timber Sale Program (WI 1. 7, 7.1)

Recommendation: FRD Timber Sale Specialist will work with FRD Unit Managers and the PRD Safety Specialist to review potential changes to PPE requirements on active timber sales, and recommend any changes to the FRD Forest Certification Coordinator by July 1, 2014.

K. Staff Training (WI 5.1, 1.3, 8.1)

No Comments/Recommendations

L. Silviculture and Forest Regeneration (WI 2.1, 5.1)

Recommendation from 2012	Silvicultural guidance for jack pine, aspen, and northern hardwood cover types will be finalized by August 1, 2012.
Recommendation from 2013	The FRD FPO section shall finalize silvicultural guidelines for the three noted cover types by August 1, 2013.

Recommendation: Finalize silvicultural guidelines for Jack Pine, Aspen, Northern Hardwood by July 1, 2014. Begin to write guidelines for the next three priority forest types, as determined by the Silviculture and Regeneration Team, but to include Lowland Conifers.

M. Roads and Road Closures (WI 3.3)

No Comments/Recommendations

N. Invasive Exotic Plants (WI 2.3):

No Comments/Recommendations

O. Tribal (WI 9.1)

Recommendation:

The Department Tribal Coordinator and Division Tribal Coordinators will meet quarterly to discuss tribal outreach and collaboration in order to coordinate with the Tribes and learn from our experiences and coordinate collaborative efforts.

P. Chemical Use (WI 2.2)

Recommendations:

1. FRD State Silviculturalist will continue to review and recommend changes to Work Instruction 2.2 and the Pesticide Application Permit, particularly focusing on public notification procedures.
2. FRD State Silviculturalist will begin planning for a new round of derogation requests. The DNR derogation for use of 4 chemicals will expire in 2015.

Q. Trespass (WI 1.5, 1.9, 6.2, 6.3 and 7.1)

FSC Observation 2012.3 and Carried Over to 2013 FSC-US 1.5

A chronic problem that DNR has had to deal with is unauthorized encroachment onto State Forest lands by neighbors (e.g., private structures or roads partially or entirely located on State Forest land). As the problem has grown, DNR has initiated policies, initiatives and actions aimed to control encroachment. In the last few years, the DNR has ramped up its effort and it intends to be less accommodating, with regard to resolution of specific cases, after the end of 2012. As of the time of the audit (October, 2012), the DNR was anticipating the finalization of a new, stronger procedure for handling encroachment cases. To avoid a possible non-conformity, the DNR should:

- a) Finalize and implement the revised procedure,
- b) Provide support to field staff dealing with encroachment,
- c) Endeavor to improve on the current approach of checking only 10% of State Forest boundary lines per year (10-year cycle).

Recommendation:

Continue to complete the Encroachment Resolution Initiative. The FRD Division Chief needs to request the Resource Bureau Management team to review and approve a draft procedure.

R. Work Instruction Revisions

Recommendation:

Revisions to Work Instructions were identified in 2013, but have not yet been approved by the DNR. The following additional change is recommended for Work Instructions. Revisions proposed in 2013 and 2014 will accompany this report for review by the FCT and Division Management Teams, and then for review and approval by the Resource Bureau Management Team.

WI	Recommendation for Revision or clarification of Work Instructions
1.4	Update management direction for ERAs in Work Instruction 1.4 so that it is consistent with language for Representative Sample Areas in the FSC-US Forest Management Standard (v1.0).

IV. 2014 AUDITS

A. External Third Party Audits

The 2014 audit will be conducted October 7- 9 2014. The three forest management units being considered by external auditors for next year include: Escanaba, Newberry and Shingleton.

B. Internal Audits

The 2014 internal audits are scheduled for the Escanaba, Shingleton, and Gaylord forest management units.

Appendix A: Open Non-Conformance Reports (NCRs) from Internal Audits

NCR #	Description	Management Review Recommendation
32-2012-04	Management and Monitoring plan for the Bryan Creek Ecological Reference Area was presented at the 2009 Compartment Review, but no action was taken and it was referred to the Western Upper Peninsula Ecoteam for approval. No follow-up action was taken by the Biodiversity and Conservation Program leader.	Resolution of this issue did not occur in 2013 and was identified as a major corrective action request in the 2013 external audit by the Forest Stewardship Council lead auditor. It is expected that there will be a plan to resolve this issue developed and approved by the Resource Management Bureau by March of 2014 with the actual resolution of the issue (the product) available in September of 2014. This non-conformance report will be kept open until September 2014.
73-2013-01	Specific documented direction concerning treatments on state forest lands was found to be lacking in documented input. This lack of documented input from all involved divisions threatens the successful implementation of the intent of work instruction.	Increased efficiency could be gained by fully using the pre-inventory and pre-review meetings to develop co-management objectives for a compartment, possibly eliminating the need for describing each division's specific interests in the comments for each stand being treated. The FRD FPO section will provide guidance to staff via the new DNR Policy and Procedure for Forest Inventory and Compartment Review.
72-2013-02	No record on file of need determination at either the unit or district level; no documentation of what types of public notification were used (if any).	Unit manager also is going to encourage revision of the Pesticide Application Plan to include a "tickler" section to document public notification decisions and have a spot for unit manager and district supervisor sign off upon review. A note recommending the Pesticide Application Plan form be updated was sent on 11/19/13. The recommendation has been forwarded to the committee revising work instruction 7.1, which-is to be completed by March 31, 2014.
53-2013-03	In multiple locations, various staff (unit manager, unit biologist, forester, inventory and planning specialist and FRD district manager) discussed the issue of including justification of the wildlife benefit of management proposals on purchased land.	Purchased lands (i.e. Lands acquired with Game and Fish, Pitman-Robertson, and Natural Resource Trust Funds) are now being identified at the pre-inventory meetings.

NCR #	Description	Management Review Recommendation
53-2013-04	Although various efforts have been made to restrict equestrians to approved trails, the conservation officer and biologist reported equestrian use on closed areas. Auditors observed riders on a closed trail. Equestrian stakeholders reopened a closed trail and erected signage indicating it was open for equestrian use. Unit has failed to address a water-quality issue at a horse watering hole.	This RDR is currently being resourced for correction by the FRD Unit Manager.
53-2013-06	Park manager was unaware of his "core training needs" and did not discuss training needs with his supervisor during performance reviews. Part b) Fisheries Biologist was uncertain of what a training record was. Part c) Wildlife Division training officer reported that Wildlife Division staff regularly fails to notify training officer of training events which were completed outside the DNR training system.	The corrective action will require that the divisional training officers identify the employees by unit with essentially inactive training records and follow up with the respective supervisors who will then be charged with following up with the employee(s).

Appendix B: Non-Conformance Reports (NCRs) from Internal Audits Requiring Follow-up Discussion

12-2011-5	FTP F12-40 has been using trees from compartment 176, stands 33 and 34. Per work instruction 3.1, it is required to check for rare and endangered species, as well as historical sites for treatments that are done "Out of Entry". This did not appear to be done, and upon further investigation, the sections containing the stands have archeology concerns listed in the GDSE.	Corrective action: Fisheries staff will work with FRD staff to insure all necessary checks are made with MNFI and SHPO for FTPs involving intrusive activities that are in scope for Forest Certification. Confirmation needed from Fisheries Division. FRD FPO section shall revise FTP form to include check box to confirm that MNFI, OSA, and other checks were completed.
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Appendix C: Michigan DNR Staff Who Participated in the 2013 Audit

SFI RE-CERTIFICATION AND FSC SURVEILLANCE AUDIT - OCTOBER 7-11, 2013				
	MONDAY 07-Oct	TUESDAY 08-Oct	WED 09/2013 & 10/11/2013	THURS 10-Oct
	SOO (WEST) FMU	Pigeon River Country FMU	GRAYLING FMU	ROSCOMMON FMU
Name				
BILL O'NEILL, FRD Division Chief				
RUSS MASON, WLD Division Chief				
DOUG REEVES, WLD Assistant Chief				
DENNIS KNAPP, DNR Tribal Coordinator				
SCOTT HEATHER, FRD Assistant Division	X			
PENNEY MELCHOIR, WLD Field	X	X	X	X
DEBBIE BEGALLE, FRD Forest Plans and Ops Sec Mgr	X	X		
DAVID PRICE, Unit Supervisor, Forest Planning and Inventory	X	X	X	X
SCOTT JONES, FRD Forest Planning Specialist	X	X		
AMY EAGLE, FRD Biodiversity Conservation Program Leader		X		
ANNA SYLVESTER, PRD NLP and UP Field Coordinator		X		
DENNIS NEZICH, FRD Field Coordinator	X	X	X	X
AUDITORS				
ROBERT HRUBES, FSC Lead Auditor		X	X	X
NORMAN BOATWRIGHT, SFI Lead Auditor	X	X	X	X
DNR DISTRICT FIELD staff				
FRD DISTRICT SUPERVISOR	Unavailable	Steve Milford	Steve Milford	Bill Sterrett
FRD TIMBER MGT SPECILAIST	Don Kuhr	Tim Greco	Tim Greco	Scott Throop
FRD DISTRICT PLANNER	Kristen Matson	Dan Heckman	Dan Heckman	Tom Haxby
PRD DISTRICT MANAGER	Tom Paquin	Rich Hill	Dan Mullen	Dan Mullen
PRD RECREATION SPECIALIST	Dan Moore	Paige Perry	Amy Swainston	Amy Swainston
PRD ORV SPECIALIST	Rob Katona	N/A	N/A	N/A
FMU Land Use	Darrell Welch	Gfreg Gatesy	Ken Phillips	Jerry Grieve
WLD REGIONAL SUPERVISOR	Unavailable	Rex Ainslie	Rex Ainslie	Rex Ainslie
WL BIOLOGIST SUPERVISOR	Craig Albright	Brian Mastenbrook	Brian Mastenbrook	Brian Mastenbrook
WLD ECOLOGIST	Sherry Mackinnon	Vacant	Vacant	Vacant
LED DISTRICT SUPERVISOR	LT Skip Hagy	Lt Jim Gorno	SGT Glen Gutierrez	SGT Glen Gutierrez
FD MANAGEMENT UNIT SUPERVISOR	Steve Scott	Dave Borgeson	Dave Borgeson	Mark Tonello
DNR FMU FIELD staff				
FRD UNIT MANAGER	Karen Rodock	Scott Whitcomb	Susan Thiel	Steve Anderson
FRD FIRE SUPERVISOR	Mike Pine	Don Klingler	Michael Janisse	Jake Figley
FRD FORESTERS/TECHNICIANS	Matt Edison, Cory Luoto, Dan Beaudo	Greg Rekowski, Rich McDonald	Joan Charlebois, Matt Foster, Pat Mohney, Tom	Ben Wiese, Jason Lewicki, Doug Bates, Dale Ekdom
FRD FIRE OFFICERS	Charles Bednarski	N/A	Jack Money, Joel	Randy Hartman, Nate
WLD HABITAT BIOLOGIST	David Jentoft	Brian Mastenbrook, Mark Monroe	Brian Piccolo, Keith Fisher (KW Mgmnt), Keith Kintigh (Camp	Mark Boerson, Keith Fisher (KW Mgmnt)
WLD TECHNICIAN/ASSISTANT	Tim Maples	None	None	Bill Radtke
FISHERIES BIOLOGIST	Darren Kramer	Tim Cwalinski	Tim Cwalinski	Mark Tonello
LED CONSERVATION OFFICER	CO Jeff Panich	CO Nick Torsky	N/A	N/A
FMU OFFICE SECRETARY (on standby if	Cheryl Ozanich	Kris Polus	Lori Ruff	Lynn Carter-Regier