



**Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report**

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Company Name	BBC Land LLC
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PQC Code	E01E – Forestry , Logging
Contract Number	US.1432623

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	# 2	Scope extension audit:	
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Audit Summary

Introduction

This report provides a summary of the second surveillance audit of the BBL Land’s forest in Maine. The audit was conducted August 12-14, 2015. Craig Howard, RPF, conducted the audit on behalf of Bureau Veritas Certification

Audit Scope, Objectives and Process

The scope of the audit was forest and land management activities conducted by American Forest Management on the BBC Land LLC forest.

The objectives of the audit were to review BBC Land LLC’s SFI updated program documentation in accordance with the requirements of the SFI 2015-2019 standard and verify the effective implementation of the SFI program in the way planning and on-the-ground management activities are conducted. Specifically, two objectives of the audit were to:

1. Verify that the Program Participant’s SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and any additional indicators that the Program Participant chooses, and
2. Verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground.

The audit assessed conformance against the fifteen SFI Program Objectives in the 2015 standard. All performance measures and all applicable indicators were assessed within each Objective. There were no substitutions or modifications of SFI indicators. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.

Audit Plan

An audit plan was delivered to the company on August 7, 2015. A copy of the audit plan has been appended to this report. The first half day of the audit was spent selecting and scheduling field sites, followed by a review of the Company’s forest management plan and wood supply forecasting program. Day two was spent conducting field inspections followed by further document review and closing meeting on the third day of the audit

Site selection was completed immediately following the opening meeting. The BBC Lands are managed as two distinct areas, out of the Milford and Farmington offices respectively. Sites managed out of the Stratton office, which has since relocated to Farmington were viewed on the surveillance audit in 2014. This audit focused on sites out of the Milford office. The auditor visited nine distinct field sites, which included road construction projects, water crossings, and harvest sites as well as a habitat improvement project.

The sites included the following:

Site number	Acres	Activity – comments
306-0043	230	Harvest – second entry shelterwood
850-0052	50	Harvest – active job, access through spruce plantation, shelterwood
Fish habitat improvement – Large woody debris placement		Fish habitat improvement project – large woody debris placement (whole tree) to improve habitat for cold water fish such as brook trout and salmon
307-0041	70	Harvest - Clear cut – low grade hardwood cut – retention was evident, small area of minor tutting at top of block – small beech stems removed -
T28		Corrugated half pipe installation - no brook trout at the site, but pool downstream evident and caused by previous perched culvert. Bottomless design allows free passage of fish on natural stream bottom. – Not a project SHARE sites but evidence of good practice.
T28		Steel (Smooth sided) half pipe installation. Pool downstream evident and caused by previous perched culvert. Bottomless design allows free passage of fish on natural stream bottom.
T28		Cement half pipe installation on cement ballasts. Very efficient installation. Pool downstream evident and caused by previous perched culvert. Bottomless design allows free passage of fish on natural stream bottom.
308- 013	7425 ft	New road construction - through stands dominated by fire-origin balsam fir. Great base and crossings.
309-0042	1256	Fir thinning- fixed head processor – Hardwood ingress was not cut. – site was subject of thinning trials following budworm outbreak of the 1980s. Not very productive site and not great wood. A

		challenge to find a suitable prescription for this type of site.
308-0041 - C	60	Fir thinning – dangle head processor n – similar site to 309=0042 but harvested with dangle head rather than fixed head processor. A better looking effort in that spacing of residual was more uniform. Site productivity is low.
309 0035	119	Second entry shelterwood – harvest adjacent to Alligator Lake – Riparian area intact – no site damage or residual damage observed – 8 cabins on the lake and future development has been curtailed – abundant slash in skid trails protect soil

Company Information

Black Bear Forest Inc. is a 1,005,201 acre forest property owned by Black Bear Land LLC and managed by American Forest Management (AFM). The parcels that compose the forest are located in central Maine and southern New Hampshire. In most cases, the professional staff have spent most of their careers on the forest and have an excellent knowledge of the land base

Audit Results

The company completed a comprehensive review of its forest management program, partly in response to the requirements of the 2015 SFI Forest management standard.

A new forest inventory was completed last year and the results have been processed through updated yield tables and wood supply models. Supply agreements have been modified on the basis of this. The supply of softwood sawlogs, as a percentage of the overall wood supply, is expected to increase over the next decade.

The Company has initiated its efforts to respond to the new requirements of Objective 3 of the 2015 standard. The company has made initial contact with local tribes to determine if there are heritage sites on the BBC land base. To date, that process has not matured to the point where the company can state that it has developed awareness. It is expected that the process will advance in the near term and that progress will be evident by the 2016 annual audit. An opportunity for Improvement was issued against Indicator 8.3

The company has a long standing commitment as a participant of Project SHARE and one of the Company's Operations Foresters currently serves as the Chair of the Board of Directors. SHARE was formed in 1994 as a cooperative forum where stakeholders could contribute to Atlantic salmon restoration efforts. The group maintains goodwill amongst members by remaining neutral on political issues and focusing on win-win opportunities. Project Share works collaboratively with our partners to find solutions that are both ecologically and financially efficient. SHARE leverages a variety of funding sources to enable landowners to take on projects they wouldn't be able to do alone. The group has completed over 150 restoration projects in the last 10 years.

The auditor witness two events that led to the issuance of a best management practice on this audit.

The first was a project that placed large wood debris, in the form of whole trees, including the root ball, into the Narraguagus River. This was done cooperatively with operational staff from Share, the Maine Department of Marine Resources and administrative and in-kind support from BBL. The objective the project was to improve the habitat for cold water fish, including salmon and brook trout, by creating pools for fish cover and overwintering habitat, arresting and holding gravel beds for spawning and narrowing and deepening the stream channel to provide cool water during low summer flows.



Figure 1. Whole logs were placed in the Narraguagus River to improve the stream for cold water fish habitat.

The second instance was the installation of three new installations of bottomless crossings, each of a slightly different design, each installed to replace perched culverts, each opening up the stream bottom to fish passage. Discussion among staff showed operational acceptance of the technical benefits of the bottomless culverts in terms of aquatic habitat improvement. It also showed a technical preference for use of the technique. The culverts are expected to be significantly longer lived than conventional steel culverts. They are less prone to plugging by beavers, and consequently less time and expense will be incurred in nuisance beaver control, flood management and road maintenance.



Figure 2. Bottomless crossing installations on the forest.

The long standing support and leadership provided by the company, its active participation in SHARE projects and its implementation of aquatic habitat improvement techniques as part of normal road construction and maintenance all contributed to the issue of a best management practice respecting Objective 3.

Most of the effort required by the company to meet the requirements of the 2015 standard did not require significant change in policy or practice over the past year. The following provides comment on Company performance for each of the 14 applicable SFI Objectives:

Objective 1-Forest Management Planning: The company has a complete forest management plan that addresses the requirements of the SFI standard. It is supported by the spatial planning capacities of the Woodstock Forest Model and implemented by staff that has an excellent understanding of the ecological attributes of the land base.

The forest inventory on the forest has been updated as of 2013. Growth and yield curves have been recalculated and new volume forecasts have been established. The company has revised their marketing/revenue plan in response to this, including a planned shift to softwood harvest over hardwood volume. The total harvest volume is expected to decline by 5% over the next ten years.

The management of the forest is well documented and, in the opinion of the auditor, meets the requirements of the SFI 2010-2014 standard.

Objective 2-Forest Health and Productivity: Staff maintains responsibility to create renewal prescriptions on a site by site basis. This is done at the time of harvest planning and verified post-harvest to ensure prescriptions are still valid for site conditions and have a high probability of meeting company objectives in terms of future wood supply as well as non-timber objectives (e.g. provision of wildlife or occasionally recreational opportunities).

The auditor inspected three sites where staff confidence in the renewal prescription for each was restrained.

On the first, a recent hardwood clear cut that had a beech component, showed beech seedlings in the early renewal layer. A follow up discussion with several staff members provided evidence that there was good experience with the prescription, and that the treatment most commonly resulted in a regenerating stand where the beech component of the regenerating stand, as a function of the species inability to compete in a full light, had been reduced. The auditor highlighted the need to include site visits of regenerated hardwood clearcuts on future audits to confirm the effectiveness of the treatment.



Figure 3. This clear cut of a low quality hardwood stand shows abundant residual vertical structure.

The other two sites were prescribed as commercial thinning of 30 to 35 year old balsam fir dominated stands. Both of these stands had been the subject of pre commercial thinning efforts in the 1980's, which represents a significant investment in stand improvement. It is clear that this type of stand represents a significant area of the land base, and is expected to supply an increasing percentage of the wood supply produced by the Company over the next two decades.

There are operational challenges working in these stands. They are relatively low volume, high density, small stem size stands. It is difficult to thin these stands with conventional equipment. The area opened up in skid trails with conventional equipment leaves the stand more open than desired, and subject to early growth of competitive species such as raspberry. This may result in a need to treat the areas with herbicides to keep the regenerating fir from being suppressed, an added expense that is difficult to justify based on expected growth in these stands.

On the other hand a thinning that is too "light", which can be accomplished with some cut-to-length equipment, does not provide sufficient sunlight on the ground to support natural renewal of balsam fir and spruce as is desired.

The stands are at the bottom end of commercial viability. These stands need a harvest prescription that makes commercial sense, and creates the post-harvest condition supporting desired stand development, and does so within narrow tolerances with respect to cost and silvicultural response.

The Company has participated in Cooperative Forest Research Unit (CFRU) studies that are evaluating possible alternatives for managing in these conditions. Following this and internal observations, the Company has updated its Timber Harvest Prescription Key (as of July 2015) to provide more current guidance to staff. It is expected that this issue will be tracked on future audits.



Figure 4. Low quality stands dominated by balsam fir.

Soil conservation is maintained through implementation of harvest operating procedures. The basic premise is that the land will be maintained as forested by careful monitoring and timely renewal.

There have been no herbicides or other chemicals used on for silvicultural purposes in the last several years. The company does have as specific commitment to meet the requirements of indicator 2.2.2 (use of least-toxic and narrowest-spectrum pesticides necessary to achieve management objectives).

Soil protection measures are in place and procedures guiding road construction and water quality protection are well defined. The company monitors insect pest populations but has had no treatment programs required recently. They are monitoring the spruce budworm and are expecting that insect to require management activity sometime in the relatively near term.

Objective 3-Protection and Maintenance of Water Resources: The Company has a long standing commitment to improving the ecological integrity of its water crossings. The auditor observed three new installations of bottomless crossings, each of a slightly different design, each installed to replace perched culverts, each opening up the stream bottom to fish passage.

In the opinion of the auditor, this demonstrates significant innovation and, in combination with the continuing effort the company has invested in participating and leading Project SHARE (Salmon Habitat and River Enhancement) constitutes a best management practice. \

Objective 4-Conservation of Biological Diversity: All stands have been evaluated for presence of Rare, threatened or endangered (RTE) species and other special sites. The harvest techniques used by the company offer a high probability that the inherent biological diversity will be maintained.

Objective 5-Management of Visual Quality and Recreational Benefits: The program level evidence addressing the requirements of Objective 5 has been effectively consolidated. Staff had a high degree of awareness of the need for consideration of visual quality impacts. The auditor was impressed with the effectiveness of the uncut buffer along Alligator lake, which preserved the uninterrupted viewscape from the lake.



Figure 5. The buffer left along Alligator Lake allowed extraction of high quality wood near the lake shore while maintaining the view scope from the lake.

Objective 6-Protection of Special Sites: Special sites have been identified and are effectively maintained. When required, prescriptions have been put in place to ensure they remain in good order. The company has an extensive list of special sites. In the opinion of the auditor, the company has met the requirements of this objective.

Objective 7-Efficient Use of Fiber Resources: Utilization was very good on all harvest sites inspected. The company continues to do an excellent job of marketing or redistributing slash. In the opinion of the auditor, the company has met the requirements of this objective

Objective 8: Recognize and Respect Indigenous People’s Rights: The 2015 SFI standard has a new requirement whereby Program Participants are aware of traditional forest-related knowledge, such as known cultural heritage sites, the use of wood in traditional buildings and crafts, and flora that may be used in cultural practices for food, ceremonies or medicine. The company has made initial contact with local tribes to determine if there are heritage sites on the BBC land base. To date, that process has not matured to the point where the company can state that it has developed awareness. It is expected that the process will advance in the near term and that progress will be evident by the 2016 annual audit.

Objective 9-Legal and Regulatory Compliance: The company tracks all legal, regulatory, and policy requirements. The company reported no non-compliance issues in the past year.

Objective 10-Forestry Research, Science and Technology: The company continues to support research with direct and in kind contributions to projects and institutions. They directly support the Cooperative Forestry Research Unit at the University of Maine and maintain a list of research that has been supported by BBC Land or its predecessor owners for over two decades.

Objective 11-Training and Education: The Company maintains an extensive training list of suppliers that includes a summary of the individuals that have received training.. The requirements of this objective have been met.

Objective 12-Community Involvement and Landowner Outreach: The company continues to participate with the State Implementation Committee.

Objective 13: Public Land Management Responsibilities: This objective is not applicable to the BBL operations as this is private land.

Objective 14-Communications and Public Reporting: Reports have been submitted and posted on the SFI website. The requirements of this objective have been met.

Objective 15-Management Review: A specific internal audit and management review of the FM program has been completed annually in advance of the annual audit. The requirements of this objective have been met.

Findings

Previous non-conformances: A non-conformance was issued in 2014 against the requirements of indicator 3.2.1, requires the company to implement plans to protect riparian areas. On new road construction RP 221-005A, a temporary bridge had been installed with graveling that extended to the edge of the bridge. It was not buffered or contained by a “bumper” other physical barrier that would prevent run off from entering into the stream. The company corrected this by installing wooden rails at the edge of the water crossing. The auditor inspected three water crossings on this audit, and in every case, installation was very well done. The company has made a practice of installing bottomless crossings, which enhances fish migration. This is done in association with a long term relationship with Project SHARE (Salmon Habitat and River Enhancement) which has served to develop practical options for improving the inland habitat for Atlantic Salmon. The company continues to participate with this group. A notable practice has been issued for this cooperative work.

The auditor inspected approximately one mile of new road construction (Old Myrna Road) and found all water crossings involving permanent streams to be effectively implemented.

Non-conformances: No non-conformances were issued on this audit.

Opportunities for Improvement: Performance Measure 8.3, Indicator 8.3.1 The 2015 SFI standard has a new requirement whereby Program Participants are aware of traditional forest-related knowledge, such as known cultural heritage sites, the use of wood in traditional buildings and crafts, and flora that may be used in cultural practices for food, ceremonies or medicine. The company has made initial contact with local tribes to determine if there are heritage sites on the BBC land base. To date, that process has not matured to the point where the company can state that it has developed awareness. It is expected that the process will advance in the near term and that progress will be evident by the 2016 annual audit.

Notable Practices: OM 3.2 Indicator 1. The SFI program requires participants to implement water, wetland and riparian protection measures based on soil type, terrain, vegetation, ecological function, harvesting system, state best management practices, provincial guidelines and other applicable factors. Specifically, indicator 1 requires the Company to have a program addressing management and protection of rivers, streams, lakes, wetlands, other water bodies and riparian areas during all phases of management, including the layout and construction of roads and skid trails to maintain water reach, flow and quality. BBC Land, and all of the previous entities that owned the landbase, have been cooperating with SHARE for two decades, and in fact, landowner of record played an instrumental role in establishing the project. Company staff has served on the board for the project and a staff member currently served as Chair. This commitment has resulted in the operational use of bottomless culverts on normal basis, as has been noted in previous audit reports (i.e. Report of the 2013 SFI audit). On this audit, the auditor witnessed a project that extended to stream bed improvement, whereby downed wood debris in the form of whole trees, including the root ball, were

placed directly in the stream, as guided by Maine Department of Marine Resources and Project SHARE personnel.

The Notable practice is issued based on the long standing commitment of the landowner to this important project and the consequent comprehensive integration of river habitat improvement into the normal operations, as demonstrated by interviews with all BBC Lands personnel on this audit.

Logo/label use: There is no logo or label used by the company.

SFI reporting: Required SFI reporting has been completed with diligence.

Conclusions

BBC Land LLC continues to operate a very effective forest management program. With the exception on one opportunity for improvement issued, against a new requirement of the 2015 SFI standard, the company has, in the opinion of the auditor, demonstrated full conformance to the requirements of the standard. It is recommended that certification be maintained without interruption.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:										
Audit Date(s):			From: 12 August 2015				To: 14 August 2015			
Number of SF02's Raised:				Major:		0		Minor:		0
Is a follow up visit required:			Yes		No	x	Date(s) of follow up visit:			
Follow-up visit remarks:										
Team Leader Recommendation:										
Corrective Action Plan(s) Accepted			Yes		No		N/A	x	Date:	

Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	14 Aug. 2015
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Standard audit conducted against:									
1)	2015-2019 SFI FM			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Craig Howard			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
<i>From the CEP:</i> FOREST AND LAND MANAGEMENT OPERATIONS ON 995,996 ACRES IN CENTRAL MAINE AND NEW HAMPSHIRE									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	August 2016								
Audit Report Distribution									
Thom Dodd - thom.dodd@afmforest.com .									
Dawn M. Komnick-Ehmann - Dawn.komnick@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	<p>Participants: Thom Dodd, Matt Jacobs (by phone), David Cole, Paula Pelletier, Al Lebrun, Discussions: Al Beeson, Bob Murphy, Mike Howie, Todd Massey, Deb Bourgon, Elizabeth Farrell, John Bryant, Craig Howard</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 1 ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Thom Dodd, Matt Jacobs (by phone), David Cole, Paula Pelletier, Al Lebrun, Discussions: Al Beeson, Bob Murphy, Mike Howie, Todd Massey, Deb Bourgon, Elizabeth Farrell, John Bryant, Craig Howard</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths – 1 OFI, 1 Notable practice 1 ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing



Company	BBC Land LLC		
Contract Number	US.1432623		
Audit Type	Surveillance 2	Audit Dates	August 12-14, 2015
Standards	SFI LM 2015		
BVC– Audit Team:	Craig Howard		
Representative	Thom Dodd		
Opening Meeting:	Date:	12 August 2015	
	Time:	08:00am	
	Place:	40 CHAMPION WAY, MILFORD, ME, 04461	
Closing Meeting:	Date:	14 August 2015	
	Time:	14:15	
	Place:	40 CHAMPION WAY, MILFORD, ME, 04461	
Audit Scope:	FOREST AND LAND MANAGEMENT OPERATIONS ON 995,996 ACRES IN CENTRAL MAINE AND NEW HAMPSHIRE.		
Verification Indicators	SFI LM – All applicable indicators.		

Audit Objectives –SFI LM certification shall establish:

1. Conformance of the organization’s program against the SFI standards.

Documents required available at a central location (if possible).

1. Forest Management Plan
2. Environmental Impact Assessment
3. Potential field visit list (active harvests, harvests completed in the past year, Corrective Action clearance evidence, BMP implementation, recent roadwork, bridge/culvert installations, extreme slope harvests, cultural sites, RTE occurrence, varied silvicultural techniques, etc.)
4. Harvest Activity Summary, 2013 (volumes by tract, species, product etc.)

Procedures and Protocols Used:

The certification audit will be conducted under environmental auditing methodologies identified in the BVC-NA Ultimate Auditors Handbook and the BVC FSC and SFI BMS. Standard Bureau Veritas protocols and forms will be applied throughout the verification.

Audit Schedule

Date	Time	Activity	BVC Representative	Company Representative
12 Aug	0800	Opening Meeting	Craig Howard	Thom Dodd
	830	Document Review	Craig Howard	Thom Dodd
	1100	Field Sites Logistics/Document Review	Craig Howard	Thom Dodd
	1300	Field site locations – Bridge inspections	Craig Howard	Thom Dodd
	1700	Return to office	Craig Howard	
13 Aug	0800	Field Sites – Milford	Craig Howard	Thom Dodd
	1700	Daily Debrief	Craig Howard	Thom Dodd
14 Aug	0800	Document review	Craig Howard	Thom Dodd
	1000		Craig Howard	Thom Dodd
	1200	Final Closing meeting	Craig Howard	Thom Dodd