



**BUREAU  
VERITAS**

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

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PQC Code	E01E – Forestry , Logging

Contract Number:	US.1432623	Certification Audit:		Re-Certification Audit:	x	Surveillance: (Indicate visit # or Pre-Assessment)	
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**Audit Summary**

**Introduction**

This report provides a summary of the renewal audit conducted August 12-15 inclusive. 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 operations on 995,996 acres in central Maine and New Hampshire.

The objectives of the audit were to review BBC Land LLC’s SFI program documentation in accordance with the requirements of the SFI 2010-2014 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 SFI Program Objectives 1-7, 14-17 and 19 and 20. All performance measures and all applicable indicators were assessed within each Objective. There was no substitution 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 July 15, 2013, approximately one month prior to the field audit. 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. Days two and three were spent conducting field inspections. The final day of the audit was spent on document review followed by a closing

meeting.

The auditor visited fourteen field sites, including three road construction projects, one candidate special site area, and ten harvest sites. All sites were selected from the south and eastern section of the forest, which are managed out of the Milford office. Sites managed out of the Stratton office, located approximately 2.5 hours west of the Milford office were viewed on the surveillance audit in 2012, and will be viewed again on the next surveillance audit, tentatively scheduled for August of 2014.

### Company Information

Black Bear Forest Inc. is a 995,996 acre forest property owned by Black Bear Land LLC and managed by American Forest Management (AFM). The Black Bear Forest is located in central Maine and southern New Hampshire. In most cases, professional staff have spent most of their careers on the forest and have an excellent knowledge of the land base.

### Audit Results

The audit showed a continued high level of conformance to the requirements of the SFI 2010-2014 standard. The documents supporting the certificate were complete and up to date. Field inspection showed harvest and road construction operations were conducted in a manner consistent with the requirements of the BBC Land LLC 2011 Forest Management Plan.

Forest managers have effectively integrated management and operational planning and operations. Forest planning is conducted within the technical framework provided by the Remsoft Spatial Planning System, which is supported by the Woodstock Forest Management Planning System and the Stanley Spatial Harvest Scheduler. Staff at BBC Lands demonstrated a thorough understanding of the strengths and limitations of this program. The planning program has projected harvest opportunities for 55 years into the future in five year term increments. The projections show growth and harvest levels by species, product, BBC Land district and planning term. Forest stocking is projected to increase by 4% over that planning horizon (Figure 1). Growth rates across all species are projected to increase from 0.43 cords/acre/year in 2010 to 0.48 cords/acre/year by 2055.

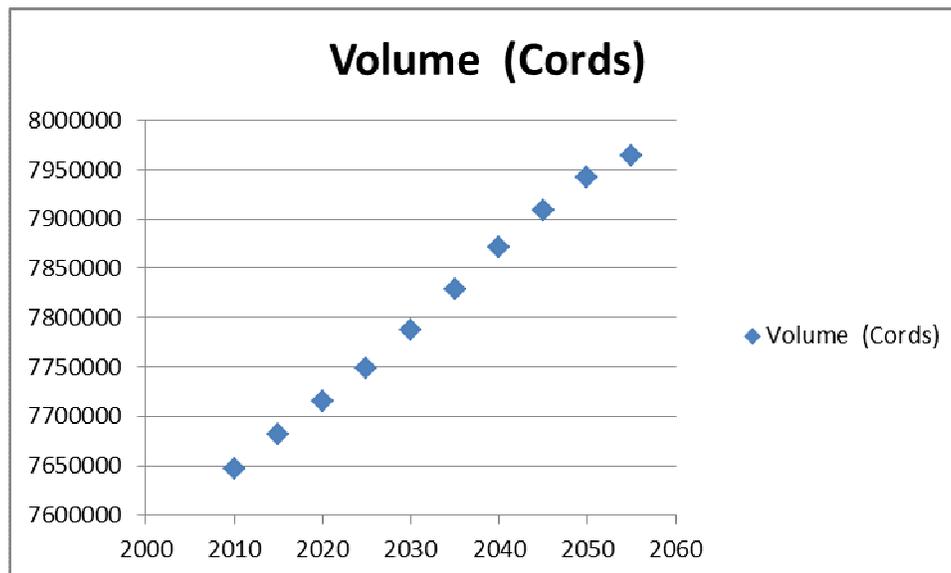


Figure 1. Projected total stocking on the Black Bear Forest from 2010 to 2055.

Allowable harvest is calculated in annual increments five years into the future and annual harvest budgets are assigned based on that. Markets have some influence on the success in meeting harvest budgets. For example, in 2009, which was a poor year for most forest product markets, the actual harvest completed was 723,013 tons against a planned harvest volume of 826,376 tons, a shortfall of some 12%. Over the five year period noted, harvest achievement is just over 2% of that planned. This is a very good level of harvest achievement demonstrating a high level of conformance between projected and actual harvest.

Forest planning models are largely theoretical. They are most reliable when they are grounded with current forest inventory and programs become more reliable still when this is supported with actual operational experience. The company is currently conducting a new inventory, involving a sample size of 1000 plots and a check cruise of about 10% of that. This update the last inventory, completed in 2008. New yield curves will be calculated based on this inventory and integrated into wood supply modeling over the coming months.

Operational foresters are very familiar with their management units and the soil, site and climatic conditions that influence the continuing supply of timber, habitat and other ecosystem components dependent on forest. The spatial planning system tracks operational entries and assists the on-site forester in scheduling likely harvest reentry opportunities, but these are always verified on site and always subjected to final approval by the on-site forester. This is an effective use of both technology and personnel.

The selection silviculture system used on most of the sites visited should result in good growth of individual trees through to harvest. The auditor verified this by conducting walk through on sites post-harvest to evaluate the condition and density of residual trees and by examining the growth rings on cut logs or stumps. In virtually every case, the growth patterns were consistent with the forester's records of past harvest, and growth response evident was as was generally consistent with that projected in growth models.

The Company has done a good job of working around aquatic habitat. The summer of 2013 had higher than average precipitation in Maine and New Hampshire. Water bars, ditches, turnouts and slash had been used effectively on road construction and harvest sites, and soil movement through erosion was minimal on the sites inspected. Operations around water universally respected the guidance provided through the State Best Managements Practices and the Company's internal procedures. In addition to written guidance for road building and maintenance and harvest planning, the company has specific process for wet weather events operations. Staff and operators were cognizant of the direction provided.

The 2011 surveillance audit noted the Company's good work with Project SHARE (Salmon Habitat and River Enhancement) in installing bridges and bottomless culverts. This work is clearly continuing. On the Tug Mountain Road site the auditor witnessed three varieties of water crossings each designed to protect the stream bottom and each fabricated differently to produce a crossing that maximized environmental protection, structural durability, and integrity and minimize cost. (Figure 2). This level of innovation is commended.



*Figure 2. Three water crossing types on the Tug Mountain Road*

The company continues to do a good job of managing slash. Slash was either piled for biomass markets (Figure 3), or returned to the woods to support skid trails and mitigate soil damage.



*Figure 3. Slash and wood unsuitable for sawlogs or pulp has been piled for use as biomass.*

All other aspects of the SFI program were found to be in conformance. Company lands continue to be open for public recreation, with access normally only limited during actual operations or to minimize damage during wet weather conditions. Staff remains active participants in the SFI State Implementation Committee and the company continues to provide cash or in kind contributions to relevant research. Rare, threatened and endangered species have been identified and management activities near threatened habitat has been modified to preserve or enhance essential ecological attributes. The Company did not use any pesticides in the past year.

## Findings

### **Previous non-conformances:**

No non-conformances were issued on the previous audit.

### **Non-conformances:**

No non-conformances were issued on this audit.

### **Opportunities for Improvement:**

No opportunities for improvement were issued on this audit.

**Notable Practices:**

No notable practices were issued on this audit.

**Internal Audit Program**

The company has a comprehensive internal audit program. This was initiated as part of their EMS program and continues to operate effectively. Senior management reviews the result of the external and internal audits, and has a clear understanding of program challenges.

**Logo/label use:**

The company was not using the SFI label for product or promotional use at the time of the audit. .

**SFI reporting:**

The previous audit report was submitted to SFI and has been posted on the SFI website.

**Conclusions**

The Company has a mature SFI program supported by a long-running Environmental Management System. Staff at all levels is very familiar with the land base. Based on the results of this audit, the auditor has found the program to be in full conformance with the requirements of the SFI 2010-2014 standard, and will be recommending that certification of BBC Land LLC be renewed.

**Surveillance Audit Schedule**

Surveillance audits will be scheduled for August of 2014 and 2015.

**SEE SF61 FOR AUDIT NOTES**

Summary of Audit Findings:						
Audit Date(s):	From: 12 August 2013			To: 15 August 2013		
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		Date:	NA	
Proceed to/Continue Certification	Yes	No		Date:	15 August 2013	
All NCR's Cleared	Yes	No		Date:	NA	
Standard audit conducted against:						
1)	SFI 2010-2014	3)				
2)		4)				
Team Leader (1):		Team Members (2,3,4...)				
Craig Howard		NA				

Scope of Supply: (scope statement must be verified and appear in the space below)					
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 2014				
Audit Report Distribution					
Paula Pelletier	<a href="mailto:paula.pelletier@amerfor.biz">paula.pelletier@amerfor.biz</a>				
Cornelia Holmes	<a href="mailto:cornelia.holmes@us.bureauveritas.com">cornelia.holmes@us.bureauveritas.com</a>				

Clause	Audit Report
Opening Meeting	Participants: Paula Pelletier, David Cole, Thom Dodd, Al Beeson, Matt Jacobs, Debbie Bergon, Todd Massey, Steve Zagroianakos, Bob Murphy, Mike Howie, Discussions: <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	Participants: Paula Pelletier, David Cole, John Bryant, Thom Dodds Discussions: <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>