



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

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PQC Code	E01E
Contract Number	US1391482

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

Introduction

This report summarizes the results of a surveillance audit conducted at Port Blakely Tree Farms LP's (PBTF); headquartered in Tumwater, WA. Jim Colla, Bureau Veritas Certification Lead Auditor conducted the audit from April 20-22, 2015.

Audit Scope, Objectives and Process

The scope of Port Blakely Tree Farms is "Forest management operations in Washington and Oregon on approximately 140,000 acres". The audit goal was to verify conformance to the SFI 2015-2019 Standard, objectives 1-15 (less 6, 10, 12, 13) were audited. Specifically, two objectives of the SFI audit were to verify that the Program Participant's SFI Program is in conformance with the SFI objectives, performance measures, and indicators; and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the current version of the Bureau Veritas Certification Auditor Handbook and supplemental SFI Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.

The audit began at the PBTF headquarters office in Tumwater, WA on April 20, 2015 with an opening meeting. The objectives for the audit were outlined and the audit process for collecting evidence and making audit findings was explained. Process determination findings of non-conformance, opportunities for improvement, and notable practices were explained. Confidentiality was assured. The audit plan was discussed and agreed to, and the time and date of the closing meeting was confirmed for April 22. There were no substitutions or modifications of SFI indicators.

Audit Plan

The surveillance audit was conducted over a total of three days from April 20-22, 2015. The detailed daily audit plan is on file with Bureau Veritas Certification.

Company Information

PBTF is a forest land owner in the states of Washington and Oregon in operation since 1864; they have been certified to the SFI Forest Management Standard since 2002. PBTF is in the continuing business of growing trees, harvesting and selling logs, reforestation, managing reforestation to a "free-to-grow" status, and maintaining and protecting the forest's health, while protecting and enhancing fish and wildlife habitat, soils,

air and water quality. PBTF has a multiple species Habitat Conservation Plan and of a Safe Harbor Agreement, both with the United States Fish and Wildlife Service. PBTF also has a very aggressive and mature outreach and education program that targets local school districts in both WA and OR. PBTF is considered a single site organization.

Audit Results

The audit consisted of document and record reviews and interviews. In addition nine field sites, two of which were actively being harvested, were visited that represented a broad spectrum of activities PBTF undertakes.

Objective 1-Forest Management Planning: PBTF continues to use Assissi as the cruise/inventory compiler, which can generate stand tables in Organon; and finally Woodstock to grow individual stands and determine cut. The GIS system is complete and mature and includes fish & wildlife, water resources, soil, land classification, stand attributes, roads and numerous other attributes. Past records and future harvest trend graphs clearly demonstrate sustainable harvest levels will be maintained. Increased productivity through enhanced silvicultural treatments is expected to increase the AAC in the coming years. PBTF is striving to move toward an even flow, even age class distribution, long term non-declining harvest regime. PBTF does not convert forest cover types.

Objective 2-Forest Health and Productivity: All units are designated for planting as soon as the prescription is developed; trees are generally ordered two years in advance; all field observed planted units were planted within 18 months of harvesting. Each unit is formally surveyed for survival within one year, with follow up surveys on a regular basis. No exotic species observed on any sites visited in the field. PBTFs policy is to use the minimum amount of chemical necessary to accomplish control objectives. Spray work is conducted by contractors under the supervision of PBTF foresters. All chemicals applied are registered and labeled for use in the States of WA and OR. Contractor and PBTF spray records and reports provide evidence application was done in compliance with label and legal requirements. No overspray observed. No chemicals banned by the World health Organization or Stockholm Convention on Persistent Organic Pollutants were used. PBTF is continually seeking to implement IPM strategies. Examples include planting alternate species (red alder) in root rot problem areas; hand slashing in lieu of chemical application in select areas, and non-lethal efforts to reduce bear impacts. Multiple erosion control methods used including timing of operations (use restrictions), location of roads and trails, rocking roads, cross-drainage, and filter strips. PBTF strives to reuse existing roads, trails and landings in stable locations out of RMAs. New road construction is planned and completed one to two years in advance. Non-system roads and those located near streams are often decommissioned immediately following harvest. Contractors are well versed in erosion control measures, no evidence of accelerated erosion observed. Excellent protection of residual trees noted throughout. PBTF strives to maintain healthy forest by active management; insect and diseases are at endemic levels.

Objective 3-Protection and Maintenance of Water Resources: PBTF follows and exceeds mandatory requirements of the WA and OR FPA's; a comprehensive set of standards (BMPs) designed to protect soil, air, water and wildlife resources. These have been incorporated into the company BMP and operational guides and contracts. Contractors interviewed had excellent BMP knowledge. Sites are monitored at least weekly to ensure compliance. No evidence observed of any BMP infraction or excess sediment delivery to streams. The wildlife staff field verify locations of all non-forested wetlands, regardless of size and the foresters either meet the rule requirements or protect beyond what is required. Protection is done by identification in the map layer, flagging on the ground, and pre and post-harvest assessments.

Objective 4-Conservation of Biological Diversity: PBTF has two long term landscape level agreements in place, one Habitat Conservation Plan and Conservation Agreement (Safe Harbor), with the US Fish & Wildlife Service. Prior to unit layout every unit is assessed for T&E and sensitive species, snags, down wood, residual trees, cultural features, and aquatic features. Noxious weed control is an integral component of the land management program. Harvest unit review includes the assessment of invasive species. PBTF has developed a fire policy that addresses natural regimes and the role of prescribed fire. While no FECV have been designated, within the Safe Harbor Agreement four distinct areas have been set aside permanently for the

development of old growth. As PBTF is now identifying legacy trees for retention and study across the landscape and pursuing a Candidate Conservation Agreement with Assurance (CCAA) for the fisher, a notable practice has been issued.

Objective 5-Management of Visual Quality and Recreational Benefits: PBTF follows requirements within the WA or OR FPA's. While state designated highway are the primary threshold for implementing aesthetics mitigation measures, field foresters qualitatively assess each unit for aesthetic impacts and make adjustments to cutting prescriptions, by leaving trees or adjusting unit boundaries, to mitigate for visual impacts. In 2014 average clearcut size was 48 acres; with the largest being 106 acres and the smallest being 2 acres. Riparian corridors, group retention patches, and individual tree retention for wildlife were present throughout. Green up requirements have been met throughout. PBTF public use policy and programs are noted on the company website. Generally roads are gated and closed to motorized access.

Objective 6-Protection of Special Sites: Not audited

Objective 7-Efficient Use of Fiber Resources: A number of sorts may be produced on each job. Utilization is an inspected item on each job at regular intervals. Landing piles are typically burned, but on occasion opportunities exist to remove this material as woody biomass. PBTF has a system to monitor the removal of harvest residue and a person specifically dedicated to marketing and managing special forest products.

Objective 8: Recognize and Respect Indigenous People's Rights: The OR and WA FPA processes provide Tribes the opportunity to comment or provide input on PBTF activities. The Tribes have and will reach out directly to PBTF on other matters not directly associated with an activity. PBTF has responded appropriately. PBTF has long respected the rights of local Tribes and responded to any query. This has been formalized in written policy; however, no list of local Tribes and contacts was provided at the time of the audit, an OFI has been issued. PBTF has a special forest products forester who is responsible to seek out non-traditional uses of forest products; e.g mushrooms, greenery. One such use has materialized and been formalized for cedar bark baskets with a local tribe.

Objective 9-Legal and Regulatory Compliance: A logging or silvicultural contract cannot be issued without an established FPA permit. PBTF utilizes site visits and follows BMP Procedures to ensure compliance. These visits and checklists note compliance with laws and regulations. An internal feedback and corrective action program is in place. Furthermore, State FPFs and USFWS monitor for regulatory compliance. The system is understood by all PBTF foresters and contractors interviewed. There have been no non-compliances i.e. Stop Work Orders or non-compliances issued by the state of ODOF or WDNR in the last year; The USFWS monitoring of HCP compliance has not raised any conformance issues. PBTF will self-report any suspected deviations, conduct root-cause analysis and institute corrective actions as needed. PBTF has a formal H&S program designed to ensure applicable federal and state H&S requirements are met. H&S requirements are posted in various locations as prescribed by law.

Objective 10-Forestry Research, Science and Technology: Not audited

Objective 11-Training and Education: The commitment statement has been updated to reflect the 2015:2019 standard and posted in the office, noted on the website and made available to the public upon request. PBTF has monthly SFI discussion led by executive management that includes each department informing staff of policy or procedure changes during the previous month. Existing staff and new hires have been trained on the 2015:2019 standard. PBTF requires a signed contract for all harvest and silviculture activities. Each Logging Contract designates "an on-site representative who will be in charge of the logging operations and available at the logging site at all times during the logging Operations". PBTF requires these designated individuals be professionally trained; the WCLA and AOL programs are the SFI recognized training standards for contractors.

Objective 12-Community Involvement and Landowner Outreach: Not Audited

Objective 13: Public Land Management Responsibilities: Not applicable

Objective 14-Communications and Public Reporting: The 2014 PBTF Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. The 2014 SFI Annual Progress Report was submitted to SFI, Inc. in a timely manner.

Objective 15-Management Review: PBTF uses a multi-tiered management review process. SFI is on the agenda of each monthly management meeting. Management systems are in place to share information at both an operational and policy level among staff to provide interactive feedback. The most recently completed management review resulted PBTF opting to be audited to the 2015:2019 standard. The internal audit and management review system is mature, fully functioning and effective.

Findings

Previous non-conformances: None issued last audit.

Non-conformances: None issued.

Opportunities for Improvement:

Objective 8, PM 8.1 (1): PBTF has long respected the rights of local Tribes and responded to any query. This has been formalized in written policy; however, no list of local Tribes and contacts was provided at the time of the audit.

Notable Practices:

Objective 4, PM 4.1 (1): PBTF has two long term landscape level agreements in place, one HCP and one CE, with federal regulatory agencies. This is commendable given these voluntary landscape level agreements cover 1/3 of ownership. PBTF, in cooperation with other companies and the USFWS and WADFW is developing a CCAA to protect the fisher. In addition, PBTF is now identifying legacy trees for retention and study across the landscape and pursuing a Candidate Conservation Agreement with Assurances (CCAA) for the fisher. Given the size of the company and number of staff, this is particularly impressive.

Logo/label use:

PBTF uses the correct off product work marks, with proper SFI trademarks on their website. The company does not use the BVC logo.

SFI reporting:

The auditor verified the previous audit report (2014) was submitted and posted on the SFI website.

Conclusions

In the opinion of the auditor, results of this surveillance audit conclude that Port Blakely Tree Farms LP has successfully transitioned to the SFI 2015:2019 standard; their forest land management program is robust, effective and mature. Continued certification is recommended to the 2015:2019 Standard is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: April 20, 2015				To: April 22, 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:		22 Apr 15	
Proceed to/Continue Certification		Yes	X	No	N/A	Date:			
All NCR's Closed		Yes	No	N/A	X	Date:			
Standard audit conducted against:									
1)	SFI 2015:2019 FM			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Jim Colla			2)						
			3)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Forest Management operations in Washington (111,260) and Oregon (31,297) on 142,557 acres									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	April 2016								
Audit Report Distribution									
PBTF: Chris Lunde; clunde@portblakely.com									
Bureau Veritas Certification: Dawn Komnick; dawn.komnick@us.bureauveritas.com									

Opening Meeting	<p>Participants: Chris Lunde, Harvest & Silviculture Manager, plus other staff (attachment);</p> <p>Discussions: and Jim Colla, Lead Auditor</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous non-conformances - 0 ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Chris Lunde, Harvest & Silviculture Manager, plus other staff (attachment);</p> <p>Discussions: and Jim Colla, Lead Auditor</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 (1) and System Strengths (1) ➤ Non-conformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing