



**BUREAU  
VERITAS**

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

390 Benmar Drive, Suite 100  
Houston, TX 77060

Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	The Nature Conservancy- Montana Chapter
Contact Person	Dave Carr
Address	32 South Ewing Helena, MT 59601
Phone / Fax	406-443-6731/406-443-8311
PQC Code	E01E

Contract Number:	US 1496890	Certification Audit:		Re-Certification Audit:	X	Surveillance: (Indicate visit # or Pre-Assessment)	
------------------	------------	----------------------	--	-------------------------	---	---	--

**Audit Summary**

**Introduction**

This report summarizes the results of the first re-certification audit of the SFI 2010-2014 Forest Land Management program conducted on The Nature Conservancy – Montana (TNC)). Jim Colla, Bureau Veritas Certification Lead Auditor; along with Robert Carlson, Bureau Veritas Auditor, conducted the audit from October 14-15, 2013.

**Audit Scope, Objectives and Process**

The scope of the audit is “Forest Management on 64,973 Acres in Montana”. The goal is continued certification to the SFI 2010-2014 Standard, Objectives 1-7 and 14-20 as applicable. 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 any additional indicators that the Program Participant chooses, 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 July 2012 version of the Bureau Veritas Certification SFI Auditor Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.

The audit began at the TNC field office in Missoula, MT on October 14, 2013 with an opening meeting. The objectives for the recertification 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 reviewed and the time and date of the closing meeting was confirmed for October 15. There were no substitutions or modifications of SFI indicators.

**Audit Plan**

After discussing the goals and objectives of the audit, the audit plan and logistics was reviewed and the sites confirmed to conduct the field portion of the audit in a timely manner. Forest management sites covered during the recertification audit were selected based on the range of activity completed since the last audit in 2012. A total of eight operating locations were visited.

## Audit Schedule

### **Date: Monday, October 14**

Time	Activity	BVC Rep.	Company Rep.
8:00 AM	Opening Meeting	Colla	Dave Carr & designated TNC staff
8:30 AM	Office review and documentation of all indicators in Objectives 1-2 (Carlson); Objectives 3-7, 14-20 (Colla) staff interviews	Colla, Carlson	same
12:00 PM	Concurrent field session – site visits	Carlson	Same
4:00 PM	Daily debrief	Colla	same

### **Date: Tuesday, October 15**

Time	Activity	BVC Rep.	Company Rep.
8:00 AM	Concurrent field sessions – site visits	Colla Carlson	Dave Carr & designated TNC staff
3:00 PM	Audit team to finalize finding	Colla, Carlson	Same
4:00 PM	Closing meeting	Colla	same

## Organization Information

TNC is a non-profit organization is existence since 1951; the core mission is to “conserve the lands and waters on which all life depends”. TNC has staff in 33 countries and all 50 states. In 2010, TNC completed the purchase of more than 310,000 acres from Plum Creek Timber Company in northwestern Montana. Known as the “Montana Legacy Project”, TNC owns and manages the land until it is conveyed to a combination of public and private conservation owners. The goals of this project are to:

- Preserve vital wildlife habitat and water resources
- Maintain the production and restoration opportunities that sustain both the land and local communities
- Conserve traditional access for a broad variety of outdoor recreation

The Montana Legacy Project includes some of the best water, wildlife and working forests in Montana. The land provides habitat, and key links to habitat in other regions, for several threatened and endangered species including grizzly bears, lynx, and bull trout. As a component of the Project TNC entered into a 10 year fiber supply agreement with Plum Creek and agreed to maintain the land to SFI standard.

Since 2010, TNC has successfully worked to transfer significant portions of the land into other ownerships committed to meeting conservation goals and keeping the lands as working forests. At the present time the certified acreage is 64,973.

## Audit Results

The audit consisted of document and record reviews and interviews. In addition eight field sites were visited that represent the spectrum of forest management activities TNC undertakes. Objectives 8-13 are not applicable.

Objective 1, Forest Management Planning: TNC has contracted with Northwest Management (NMI), a full service forestry consulting firm, to develop the planning elements and implement operational components. Given the goal to dispose of all lands over time a long term management plan is not in place; however, inventory and resource analysis programs are in place sufficient to conform to the indicators in this objective. Current growth using FPS is 107BF per acre with harvest scheduled at 60BF per acre which leaves 47BF per acre net gain; long term growth is projected at 125BF per acre. The GIS system includes fish & wildlife, water resources, soil, land classification, stand attributes, roads, cultural resources and numerous other attributes.

Objective 2, Forest Productivity: All sites are designated for natural regeneration using shelterwood or seed tree systems. Limited plantings may occur on openings caused by fires, wind, insects or disease. Each unit is surveyed for regeneration of native species. Use of any chemicals is extremely limited; occurring along roadways to control noxious weeds. Spray work is conducted by contractors under the supervision of TNC in accordance with applicable regulations. TNC is a proponent of bio-control methods (knapweed root weevil). TNC reuses existing roads, trails and landings in stable locations out of SMZs and minimizes new construction. Contractors are well versed in erosion control measures, no evidence of accelerated erosion observed. Excellent protection of residual trees noted throughout. TNC strives to maintain healthy forest by active management; insect and diseases are at endemic levels.

Objective 3, Protection of Water Resources: Water resources and the fish and wildlife that depend on these resources are of critical importance to TNC. Regulatory elements are addressed in the Montana BMPs and native Fish Habitat Conservation Plan (NFHCP). Site specific details are included in applicable operating plans for each project. NMI foresters and 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. Foresters field verify locations of all streams, non-forested wetlands, critical habitats and other areas of significance. 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: See notable practices.

Objective 5, Management of Visual Quality and Recreational Benefits: TNC has a formal aesthetics policy; TNC does not clearcut and will mitigate for any potential visual impacts in high use corridors by modifying retention guides. TNC has a formal open lands policy that allows for dispersed public recreational use. The policy covers motorized and non-motorized use, camping, firewood gathering and other items.

Objective 6, Protection of Special Sites: TNC utilizes existing data from the State Heritage Preservation Office and the Montana Natural Heritage Program to identify cultural and special vegetation sites during the timber harvest planning process. NMI foresters involved with timber sale layout are trained on how to identify and properly report potential cultural resources to TNC staff. All identified special sites and cultural resources are mapped and protected during timber harvest operations.

Objective 7, Efficient Use of Forest Resources: Utilization standards are stated in log purchase contracts; NMI markets logs and ensures the fiber supply requirements are met. Markets have re-emerged in the last year for pulp. Foresters inspect for utilization and document on inspection reports.

Objective 14, Legal Compliance: A log purchase contract cannot be issued without an established Hazard Management Agreement (HMA). TNC utilize site visits and inspection forms to document compliance and follow up on non-conformances. Furthermore, Montana DNRC and the US Fish & Wildlife Service monitor BMP/HMA and NFHCP compliance respectively. The system is understood by all NMI and TNC staff on inspected sites. TNC has formal health & safety policies, requirements are posted in various offices as prescribed by law. No compliance issues or state or federal issued citations for any of the actions taken to date.

Objective 15, Forestry Research: TNC supports research through partnerships and cash contributions; other examples of involvement in research include: Response of aspen to browsing, wildfire, prescribed fire, and thinning on BLM, DNRC, USFS, USFWS and private lands; TNC is initiating research of grassland songbirds, Evaluation of predicted movement of invasive species over 40 years in three landscapes in MT (TNC modeling assessment; Assessing Impacts of Wind Power Development on Biodiversity in Eastern MT (TNC modeling assessment).

Objective 16, Training and Education: The SFI commitment statement remains in place. TNC actively participates and supports SIC efforts within their areas of expertise, primarily conservation biology. MT SIC publications are practical guides designed to reach landowners and contractors with useful and implementable practices. Logging Contractors must meet the Basic Standard for SIC Logger Training Requirements and be included on the Montana Logging Association list. TNC maintains detailed training records on the continuing education and training accomplishments of its staff. Staff is well qualified and trained and foresters very experienced.

Objective 17, Community Involvement: TNC, by the nature of their mission, is heavily involved in a number of efforts. These include: Board of Directors Blackfoot Challenge, Member Swan Lands Coordinating

Committee, Swan Valley Conservation Action Plan, Blackfoot Valley Conservation Action Plan, Eco-regional Assessments for Canadian Rockies, Blue Mountain Middle Rockies, MT FWP: Montana's Crucial Areas Assessment and Planning System. TNC participates in conservation easements which include Forest Legacy funding, approval of Forest Management Plans and assistance for private landowners where TNC holds Conservation Easements.

Objective 18, Public Land Management: Land TNC originally purchased but has subsequently transferred to the US Forest Service is outside the certificate scope. While TNC no longer owns these lands they do hold a "Timber Rights Reservation" which expires at the end of 2018. TNC has a fiber supply agreement with Plum Creek to deliver an agreed upon log volume from these lands. These are one time entries. All applicable regulations, BMPs, NFHCP and Swan Valley Grizzly Bear CE are to be applied. TNC has no further obligation for post-harvest silvicultural, road maintenance; weed control, monitoring etc. once the timber right has been executed and subsequently released by the USFS. This is done on a unit by unit basis.

Objective 19, Communications and Public reporting: The 2012 TNC Audit Report is posted on the SFI Website. All records necessary for reporting to SFI were reviewed as part of this audit.

Objective 20, Management Review and Continuous Improvement: The TNC Management Review Procedure includes a method for annual review and determination of necessary changes for continual improvement and continued conformance with the standard.

### **Findings**

**Previous non-conformances:** None issued.

**Non-conformances issued:** None issued.

**Opportunities for Improvements:** None issued

**Notable Practices:** NP's are practices and actions that are exemplary and indicate an exceptionally strong commitment to SFI principles. One notable practice was identified during the audit:

- *Objective 4, Conservation of Biological Diversity* - TNC is unique among forest landowners, they are in essence transitory owners, having acquired the property in order to, by using a number of long term conservation strategies, maintain it for the benefit of native flora and fauna into perpetuity and keep it lands a working forest. Since first acquiring these lands and becoming SFI certified in 2010, TNC has successfully transferred over 200,000 acres while ensuring conservation and working forest values are protected.

#### **Logo/label use:**

TNC has not and does not intend to use the on or off product trademarks.

#### **SFI reporting:**

The 2012 surveillance audit report for TNC is on the SFI website as required.

### **Conclusions**

In the opinion of the auditor, The Nature Conservancy - Montana continues to implement an effective SFI program that meets the requirements of the SFI 2010-2014 standard. Recertification is recommended.

### **Surveillance Audit Schedule**

Surveillance audits should be schedule for September or early October for 2014-2015; with a recertification audit in 2016.

**SEE SF61 FOR AUDIT NOTES**

Summary of Audit Findings:						
Audit Date(s):	From: October 14, 2013			To: October 15, 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:	N/A	
Proceed to/Continue Certification	Yes	X	No	Date:	October 15, 2013	
All NCR's Cleared	Yes	No		Date:	N/A	
Standard audit conducted against:						
1)	SFI LM 2010-2014		3)			
2)			4)			
Team Leader (1):		Team Members (2,3,4...)				
Jim Colla		2) Robert Carlson				
		3)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
Forest Management on 64,973 Acres in Montana						
Accreditation's	ANAB					
Number of Certificates	1					
Proposed Date for Next Audit Event						
Date	October 2014					
Audit Report Distribution						
Bureau Veritas Certification: Cornelia Holmes-cornelia.holmes@us.bureauveritas.com						
TNC, Dave Carr - dcarr@tnc.org						

Clause	Audit Report
Opening Meeting	<p>Participants: Dave Carr, Greg Lambert, Dave Hanna, Steve Kloetzel (TNC); Gary Ellingson, Jared Richardson, Eric Hoberg (NMI); Jim Colla and Robert Carlson (auditors)</p> <p>Discussions:</p> <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	<p>Participants: Same as above</p> <p>Discussions:</p> <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>➤ Nonconformance's - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>