



Katahdin Forest Management 2014 SFI Summary Audit Report

The SFI Program of Katahdin Forest Management of Millinocket, Maine has again achieved conformance with the SFI Standard®, 2010-2014 Edition, according to the NSF-ISR SFIS Certification Audit Process.

NSF-ISR initially certified Katahdin Forest Management to the SFIS on November 2, 2011. Follow-up surveillance audits have been conducted each year. This report describes the three-year Re-Certification Audit designed to focus on changes in the standard, changes in operations, the management review system, and efforts at continuous improvement. In addition, a subset of SFI requirements were selected for detailed review.

Katahdin Forest Management (KFM) owns approximately 299,000 acres in Maine, of which over 280,000 are forested. This includes 9,000 acres of perpetual timber deeds. These timberlands are managed on a sustainable basis using sound business practices and accepted principles of sustainable forest management. Professional foresters who are part of a staff of ten manage the timberlands. KFM comprises the Maine operations of the Acadian Timber Income Fund.

Management objectives include:

- Long-term improvement in value and productivity of the land;
- Ensuring the continuous yield of forest products;
- Maintaining forest health and biological diversity;
- Conservation of significant recreational, ecological and wildlife resources.

Seventy percent of the total merchantable volume is softwood species, with red, white, and black spruce being the most significant. Over 80% of the spruce volume is sawtimber quality, while over 80% of the hardwood volume is pulpwood quality.

Most of the property is accessed by a private land management road system that is maintained by KFM and other private landowners in the region. A rail siding located at the eastern end of the Golden Road in Millinocket provides a rail link between the company's private road system and other points served by rail. Timberlands located around Millinocket, East Millinocket, Medway and Woodville are accessed by a combination of public and private road networks.

Maine has a long history of public use of private land for recreational purposes. Traditionally, recreational users have used private forestland for hunting, fishing, canoeing access, camping and hiking. Newer uses such as access for whitewater rafting and kayaking have grown in popularity in recent years. Between 150,000 and 200,000 people visit or travel through the company's timberlands each year.

The Re-Certification audit was performed by NSF-ISR on September 22-25, 2014 by an audit team headed by Tucker Watts, Lead Auditor. Audit team members fulfill the qualification

criteria for conducting SFIS Certification Audits of “Section 9. SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation” contained in Requirements for the SFI 2010-2014 Program: Standards, Rules for Label Use, Procedures, and Guidance.

The objective of the audit was to assess ongoing conformance of the firm’s SFI Program to all of the relevant requirements of the Sustainable Forestry Initiative® Standard, 2010-2014 Edition.

The scope of the SFIS Audit included fee timberland. Forest practices that were the focus of field inspections included those that have occurred in 2012 and 2013 since the last audit. In addition practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example). In addition, SFI obligations to seek legal compliance, to publicly state its commitment to sustainable forestry, to ensure that employees and contractors are trained, to conduct management review and to incorporate continual improvement systems were within the scope of the audit. Use of the SFI logo and the requirement to provide a public of audit reports were also reviewed.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of Katahdin Forest Management’s SFI program and were excluded from the SFI Certification Audit as follows:

- Indicator 2.1.7 involving planting in non-forested landscapes
- Indicator 3.2.5 involving situations where the state lacks BMPs
- Indicator 4.1.8 involving use of prescribed fire
- Objectives 8 through 13 for procurement
- Indicator 15.1.2 involving research on genetically engineered trees
- Objective 18 for public land management.

None of the SFI indicators were modified.

SFIS Re-Certification Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team to determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

During the audit NSF-ISR reviewed a sample of the written documentation assembled to provide objective evidence of SFIS Conformance. Field sites were selected for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF-ISR SFI-SOP. NSF-ISR also selected and interviewed stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings for specific SFI requirements included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS.

Overview of Audit Findings

Katahdin Forest Management's SFI Program was found to be in full conformance with the SFIS Standard with no new non-conformances. There were no previous minor non-conformances and corrective action plans to be implemented by Katahdin Forest Management. The NSF-ISR SFI Certification Audit Process determined that there were no new minor non-conformances. As such the program was recommended for continuing certification.

The next surveillance audit is scheduled for the week of September 21, 2015.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 1. Forest Management Planning - To broaden the implementation of sustainable forestry by ensuring long-term forest productivity and yield based on the use of the best scientific information available.

Summary of Evidence – The forest management plan for Katahdin Forest Management including supporting documentation, and the associated inventory data and growth models were the key evidence of conformance.

Objective 2. Forest Productivity - To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, soil conservation, afforestation and other measures.

Summary of Evidence – Field observations and associated records were used to confirm practices. Katahdin Forest Management has programs for reforestation, for protection against insects, diseases and wildfire, and for careful management of activities which could potentially impact soil and long-term productivity.

Objective 3. Protection and Maintenance of Water Resources - To protect water quality in streams, lakes and other water bodies.

Summary of Evidence – Field observations of a range of sites were the key evidence. Auditors visited the portions of many field sites that were closest to water resources and considered the level of protection afforded to water resources by KFM's implementation of BMP's and by following the regulations of Maine's Land Use Planning Commission (LUPC) and the Maine Department of Environmental Protection (DEP).

Objective 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value To manage the quality and distribution of wildlife habitats and

contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals, including aquatic species.

Summary of Evidence – Field observations, written plans and policies, cooperation with field biologists from the Maine Department of Inland Fisheries and Wildlife, and regular staff involvement in conferences and workshops that cover scientific advances were the evidence used to assess the requirements involved biodiversity conservation.

Objective 5. Management of Visual Quality and Recreational Benefits - To manage the visual impact of forest operations and provide recreational opportunities for the public.

Summary of Evidence – Field observations of completed operations and policies for visual quality were assessed during the evaluation. Katahdin Forest Management relies primarily on shelterwood systems, not silvicultural clearcuts. Involvement in the North Maine Woods program and agreements for snowmobile, cross-county skiing, hiking, and multi-use trails helped confirm a strong recreation program.

Objective 6. Protection of Special Sites - To manage lands that are ecologically, geologically, or culturally important in a manner that takes into account their unique qualities.

Summary of Evidence – Field observations of completed operations, records of special sites, training records, and written protection plans were all assessed during the evaluation.

Objective 7. Efficient Use of Forest Resources - To promote the efficient use of forest resources.

Summary of Evidence – Field observations of completed operations, contract clauses, and discussions with supervising field foresters and with loggers provided the key evidence.

Objective 14. Legal and Regulatory Compliance -

Compliance with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence – Field reviews of ongoing and completed operations were the most critical evidence. Regulatory organizations contacted included the Maine Forest Service, Forest Society of Maine, and Maine's LUPC.

Objective 15. Forestry Research, Science, and Technology - To support forestry research, science, and technology, upon which sustainable forest management decisions are based.

Summary of Evidence – Financial records for dues, contributions, and memberships, were witnessed. Research sites on property were also reviewed. Meetings and seminars provided awareness and understanding of research for sustainable forest management decisions

Objective 16. Training and Education -To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Summary of Evidence – Training records of selected personnel, records associated with harvest sites audited, and stakeholder interviews were the key evidence for this objective.

Objective 17. Community Involvement in the Practice of Sustainable Forestry -

To broaden the practice of sustainable forestry by encouraging the public and forestry community to participate in the commitment to sustainable forestry, and publicly report progress.

Summary of Evidence – Evidence of support for the Maine SFI Implementation Committee and long-time involvement in the Maine Forest Products Council, North Maine Woods, Maine TREE Foundation, Keeping Maine’s Forests and many other organizations were sufficient to assess conformance with the requirements.

Objective 19. Communications and Public Reporting - To broaden the practice of sustainable forestry by documenting progress and opportunities for improvement.

Summary of Evidence – Katahdin Forest Management was determined to be collecting the appropriate information and is otherwise prepared to complete the SFI reports as required.

Objective 20. Management Review and Continual Improvement - To promote continual improvement in the practice of sustainable forestry, and to monitor, measure, and report performance in achieving the commitment to sustainable forestry.

Summary of Evidence – Records of program reviews, agendas and notes from management review meetings, and interviews with personnel from all involved levels in the organization were assessed.

Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain long-term forest and soil productivity. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, invasive exotic plants and animals and other damaging agents and thus maintain and improve long-term forest health and productivity.

3. Protection of Water Resources

To protect water bodies and riparian zones, and to conform with best management practices to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Avoidance of Controversial Sources including Illegal Logging in Offshore Fiber Sourcing

To avoid wood fiber from illegally logged forests when procuring fiber outside of North America, and to avoid sourcing fiber from countries without effective social laws.

9. Legal Compliance

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

10. Research

To support advances in sustainable forest management through forestry research, science and technology.

11. Training and Education

To improve the practice of sustainable forestry through training and education programs.

12. Public Involvement

To broaden the practice of sustainable forestry on public lands through community involvement.

13. Transparency

To broaden the understanding of forest certification to the SFI 2010-2014 Standard by documenting certification audits and making the findings publicly available.

14. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2010-2014 Edition

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