

**Forest Management and Stump-to-Forest Gate Chain-of-Custody
Certification Evaluation Report for the:**

Minnesota DNR Administered Forestlands

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-088N**

**Minnesota Department of Natural Resources
St. Paul, Minnesota**

Lead Author: Dave Wager

Date of Field Audit: October 16-19, 2006

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By:

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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website (www.scscertified.com) no later than 60 days after the report is finalized.

1.0 GENERAL INFORMATION

1.1 CONTACT INFORMATION

- Minnesota Department of Natural Resources Contact person: Andrew Arends
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- Fax: 651-296-5954
- E-mail: andrew.arends@dnr.state.mn.us

1.2 General Background

This report covers the 1st surveillance audit, following the 2005 certification of the MN DNR. Typically surveillance audits are conducted at a rate of one per year, beginning the year following award of certification. The audit included a meeting in the MN DNR central office in St. Paul and a review of three administrative areas: Two Harbors, Orr, and Littlefork.

The 2006 audit was conducted pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems on December 31, 2005 (SCS-FM/COC-088N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. The full report of the initial evaluation is available on the SCS website.

http://www.scscertified.com/forestry/forest_certclients.html.

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions (corrective action requests) and recommendations.
- Follow-up inquiry into any issues that may have arisen since the award of certification or the prior annual surveillance audit.
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

At the time of the October 2006 annual audit, there were 17 open Corrective Action Requests. The status of MN DNR's response to these CARs was a major focus of the annual audit (see discussion, below, for a listing of those CARs and their disposition as a result of this annual audit.)

1.3 Guidelines/Standards Employed

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Lake States Regional Standard V. 3.0.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

Since the award of certification on December 31, 2005, surveillance activities were undertaken on the following dates:

- During the period of Jan 10- Aug 15, 2006 numerous correspondences occurred between SCS and MCEA and between SCS and MN DNR regarding the MCEA/IWL appeal of the certification decision. These activities are described in the document “SCS Response to MCEA Appeal 8/15/06”, available in the SCS files.
- On 3/21/06 Dave Wager had a discussion with Keith Wendt regarding FSC CAR 13 measuring/reporting on key social indicators.
- On 4/13/06 there was a conference call with Dave Wager, Robert Hrubes, and the MN DNR HCVF Work Group to discuss CAR 2005.14.
- On 6/27/06 MN DNR submitted their response to FSC CAR 1.a. Phase I and FSC CAR 1.b. (SCS auditor reviewed and determined the CAR would be formally addressed as part of the 2006 surveillance audit in October).
- In August and September of 2006 there were numerous correspondences with MN DNR regarding planning for the 2006 surveillance audit.
- On 10/6/2006 MN DNR submitted their responses to the outstanding CARs
- DNR CAR responses were reviewed prior to the on-site assessment beginning October 16, 2006.
- Additional consultations with DNR staff and outside stakeholders were completed following the field portion of the assessment.

2.2 Assessment Personnel

For this annual audit, the team was comprised of Dave Wager, Mike Ferrucci, JoAnn Hanowski, and Dennis Becker. All team members were part of the 2005 full evaluation, thus providing for good continuity.

Dave Wager

Mr. Wager is Director of Forest Management Certification for SCS. During his 5.5 years as Director, Mr. Wager has overseen the day-to-day operations of the program and conducted Forest Management and Chain-of-Custody evaluations throughout the world. Recent evaluations conducted by Mr. Wager include Minnesota DNR, Wisconsin County Forests, State of PA Bureau of Forestry, State of Massachusetts, Perak ITC- Malaysia, and Collins Pine Lakeview and Almanor Forests. In his role as Program Director, Mr. Wager oversees all first-time certification evaluations, annual audits, and contract renewal certifications on approximately 60

active clients. Mr. Wager has expertise in business and forest ecology (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University) and utilizes both in his position with SCS. While studying forest ecology at Utah State University, Mr. Wager was awarded a NASA Graduate Student Research Fellowship to develop dendrochronological techniques to assess Douglas-fir growth in Utah's Central Wasatch Mountains.

Michael Ferrucci

Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 16 years. Its clients include private citizens, land trusts, municipalities, corporations, private water companies, and non-profit organizations. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies. Mike Ferrucci has served as a team member on numerous FSC certification and annual audits including the 2005 Assessment of the Minnesota DNR.

JoAnn Hanowski, M.Sc.

JoAnn M. Hanowski is a senior research fellow at the University of Minnesota-Duluth's Natural Resources Research Institute. She is currently working on research projects involving the response of birds to various forest management practices in stream and seasonal pond buffers and the development of indicators of forest and water health and sustainability in Minnesota and across the Great Lakes. She was a member of the forest bird technical team for the original GEIS and participated on the wildlife technical team that wrote forest management guidelines for Minnesota. She is currently a member of the riparian science technical committee that is investigating the effectiveness of Minnesota's current guidelines for forest management in riparian systems. She has published 60 peer-reviewed journal articles and over 75 reports in her 20 year tenure with the University of Minnesota.

Dennis Becker, Ph.D.

Dennis Becker is a recent addition to the University of Minnesota Department of Forest Resources as an Assistant Professor of Environment & Natural Resource Policy. Dr. Becker is a social scientist with training and professional experience in the field of social impacts of forestry in the rural U.S. Dr. Becker served as the FSC team social scientist on the evaluations of Washington State DNR (2.1 million acres), Potlatch Hybrid Poplar Plantation (17,000 acres), and White Mountain Apache Tribe Timberlands (1.8 million acres). Dr. Becker is a recognized expert at interpreting the socio-economic aspects of the FSC standard and applying it to rural U.S. communities. Dr. Becker received his Ph.D. in 2001 from the University of Idaho.

2.3 Assessment Process

The following general steps were undertaken as part of the 2006 audit:

- Review of 2005 certification report
- Review of Subsection plans for the Northeast region
- Stakeholder consultation
- Complete the field audit
- Synthesis of findings, and judging performance relative to the FSC Lake States Standard
- Follow-up discussions with DNR staff and external DNR stakeholders
- Preparation of the written certification evaluation report

The field portion of the audit included a broad array of field sites designed to illustrate a cross-section of stand types and treatments, focusing on harvests and other site disturbing activities conducted within the last couple years. During the field audit, the SCS auditors engaged in extensive personal interviews with DNR staff and outside stakeholders.

Oct 16 Monday Saint Paul Central Office

Audit team: Dave Wager, Mike Ferrucci, Dennis Becker

- Opening meeting, staff interviews

DNR Participants

Gene Merriam, Commissioner of the Minnesota Department of Natural Resources

Mark Holsten, Deputy Commissioner

Laurie Martinson, Acting Assistant Commissioner

Dave Epperly, Director of Forestry Division

Dave Schad, Director of Fish and Wildlife Division

Lee Pfanmuller, Director of Ecological Services

Tom Baumann, Assistant to Director, Forest Management

Andrew Arends, Forest Certification Program Leader*

Michael Lee, Plant Ecologist, Internal Audit Team*

Steve Merchant, Forest Wildlife Program Consultant*

Keith Jacobson, Forest Products Utilization Program Leader

Jean Mouelle, Forestry, Silviculture & Roads, Central Regions

Hannah Texler, Regional Plant Ecologist, Internal Audit Team

Carmen Converse, Supervisor, Minnesota County Biological Survey

Alan Jones, Forestry

Jim Manolis, OMBS/ Forest Ecologist

Les Ollila, Trails/Waterways NE Region Manager

Steven Lane, DNR Forestry Aitkin Area

Keith Simar, Forest Recreation Coordinator

Kurt Rusterholz, DNR Ecological Services

Brian McCann, Planner, Trails and Waterways

Paul Swenson, Tribal Liaison

Keith Wendt, OMBS/Science Policy Manager

Oct 17 Tuesday Two Harbors Area Office

Audit Team: Dave Wager (DW), Mike Ferrucci (MF), JoAnn Hanowski (JH).

DNR Participants

Doug Tillma, N.E. Region Timber Program Forester
Jim Rupert, Assistant, Regional Forester
Rick Horton, N.E. Region Forest Wildlife Coordinator
Wade Miller, OHV Technician, T&W Brainerd
Bruce Carlson, Plant Ecologist, MN County Biological Survey, Duluth
Wes Seele, Field Forester, Finland, MN
Fran Casey, Entry Level Forester
Jeff Wilder, Forester, Onamia, MN
Steve Piegras, Mille Lacs WMA, Onamia, MN
Lonnie Lilly, Forester, Nimrod
Brad Berg, Forestry Technician
Rob Fasteland, Forestry Technician
Kurt Rusterholz, DNR Ecological Services
Hannah Texler, Regional Plant Ecologist, Internal Audit Team
Jim Manolis, OMBS/Forest Ecologist
Les Ollila, Trails/Waterways NE Region Manager
Keith Simar, Forest Recreation Coordinator
Dave Olfelt, Wildlife Division, Grand Rapids
Tom Peterson, Trails and Waterways Division, Two Harbors

Oct 17 Tuesday p.m. Meeting with Cloquet Valley OHV Planning Team

Keith Simar, DNR Forestry
Les Miller, DNR Forestry-Duluth
Matt Butorac, Forester, St Louis County Land Dept
Jim Rupert, DNR Forestry
Tom Peterson, DNR Trails and Waterways- Two Harbors
Bruce Carlson, DNR Ecological Services- Duluth
Dan Grindy, DNR Forestry- Cloquet
Deserae Hendrickson, DNR Fisheries- Duluth
Rich Staffon, DNR Wildlife- Cloquet
Kathy Larson, DNR Enforcement- Duluth
Les Ollila, DNR Trails and Waterways- Grand Rapids
Wade Miller, DNR Trails and Waterways- Brainerd
Andrew Arends, DNR Forestry- St. Paul.

Field Stops

| Stop | Location and Description |
|------|---|
| 1 | Aspen/birch regeneration cut adjacent to Section of Fisheries land cut in 2001 and 2003. Red maple retention, large landing. |
| 2 | B2226 Planned cut of aspen/birch type on Section of Fisheries land. Appropriate buffers in place; Fisheries staff comfortable with sale. |
| 3 | Finland- Northern Hardwood thinning. Divisions of Ecological Services and Forestry worked together on black-throated blue warbler management, with outside assistance from NRRI. |
| 4 | Finland- Northern Hardwood planned harvest. Divisions of Ecological Services and Forestry at odds on what type of management should occur in this old-growth stand. Controversy on whether the stand should be on the cut list. Field managers unaware of recent policy decisions on old growth. |
| 5 | Norway pine thin- Pine. 30 year strip thin in pine stand. |
| 6 | B1709 Blocks 2 and 3. Planned partial harvest in mixed conifer-hardwoods; vernal pool protections. |
| 7 | B1709 Block 4: Completed clearcut with varied reserves; good site prep; will plant. |
| 8 | Forest Development Proposal 253-5: variable intensity harvest/gaps; planted May 2004, regen survey July 2006 – 76% survival of white spruce which are very vigorous, also natural yellow birch seedlings. |
| 9 | B1286 (59-07-09) CC winter 2003, parts w. birch and balsam fir rock-raked then planted with 1/8 white pine and 7/8 white spruce at 7 by 8 footspacing, regen survey not meeting specs., will survey again, but the spruce looks better to the field forester than they did during first survey (green, larger). |
| 10 | East General Grade Road and Manitou River: 2-culvert crossing – well installed and maintained. |
| 11 | B 1023 Harvest completed 2004: confirmed excellent stand-level retention including 5+ scattered birch per acre plus protected pockets of young conifers. |
| 12 | East General Grade Road and Baptism River crossing: 2-culverts installed properly and maintained. |
| 13 | Finland field office garage. |
| 14 | Afternoon Meeting with Cloquet Valley OHV Planning Team. |

Oct 18 Wednesday Orr Area Office

Audit Team: Dave Wager (DW), Mike Ferrucci (MF), JoAnn Hanowski (JH).

DNR Participants

- Mark Holsten, , Deputy Commissioner
- Frank Swendsen, Area Supervisor, Wildlife Division
- John Stegmeyer, Forestry Area Manager
- John Grossbach, Regional Forester, N.E. Region
- Les Ollila, Trails/Waterways NE Region Manager
- Michael Phillips, Minnesota Forest Resources Council, St. Paul
- Jeff Lightfoot, Wildlife Division, Grand Rapids
- Doug Tillma, N.E. Region Timber Program Forester
- Rick Horton, N.E. Region Forest Wildlife Coordinator
- Dave Sopoci, Forestry Orr Area
- Josh Muchow, Forestry Orr Area
- Curt Westerman, Forestry Orr Area
- Sara Stack, Forestry Orr Area
- Rochelle Gorham, Wildlife Division, Bemidji
- Nick Severson, Forestry, Bagley
- Steve Wilson, Ecological Services, Tower
- Craig Schmid, Area Forester, Deer River
- Dana Frame, Forestry Orr Area
- Mike Wurst, Forestry Orr Area
- Cal Tuper, Forestry Internal Audit Team
- Wade Miller, Trails and Waterways, Brainerd Technician

| Stop | Location and Description |
|------|--|
| 1 | Forest Development Project 1510 - herbicide treatment to release pine. Excellent pine regeneration and aspen kill appeared successful. ECS showed excellent pine site. Logged March 2005, slash piles burned; ground sprayed July 2006; will hand plant Norway Pine @ 800 tpa; ECS evaluation; observed minimum maintenance road (logging access road) with proper water bars having been worn down by recreation; DNR had blocked with rocks but someone removed them; Appropriate buffer on designated trout stream. |
| 2 | X3780- Bulldog Hanson Road. 10-acre aspen regeneration cut with conifer retention. |
| 3 | Project 1423- repellent to white and Norway pine. Successful establishment. Example of management actions to regenerate long-lived conifers. |
| 4 | Project 1522- Disk trench and hand plant following red pine clearcut. Old stand with trees greater than 100 years but not ERF. |
| | X3604 65-21-27. Aspen clearcut some birch, maple; reserved white and red pine, cedar, basswood and ash; sale area three-lobed, so lots of older trees nearby, but retention barely 5%; good aspen sprouting most of site, no compaction, little rutting. |
| 6 | Project 1308- Several hand release and budcap treatments on red and white pine. Successful establishment. |
| 7 | X4104- 56-acre aspen regeneration cut (winter 2005); retention adequate; one |

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| | isolated wetland crossing problem. |
| 8 | Project 1420- aspen thin and white pine underplant; annual repellent spraying of pine; regeneration looked healthy; regeneration survey 80-100% stocking. |
| 9 | Jack pine salvage after wind event, hand seeding, good regen and little deer browse, Jack pine salvage after blowdown. Good regeneration with little browse. |
| 10 | Large aspen harvest >80 acre harvest of aspen ERF, minimal retention except in cedar areas where they have underplanted spruce. |
| 11 | Arrowhead Trail- Snowmobile trail and discussion of ATV usage. Currently ATV usage not a significant problem. |
| 12 | Spruce plant/release – young spruce plantation mixed with aspen, planned release. |
| 13 | White pine bud cap and prune, 6 year old plantation with example of bud cap and prune, discussed success rates of deer browse control with different methods. |

Oct 19 Thursday Littlefork Area Office

Audit Team: Dave Wager (DW), Mike Ferrucci (MF), JoAnn Hanowski (JH).

Littlefork Area – Thursday October 19, 2006

Cal Tuper, Forestry IAT
 Brian Leitinger, Littlefork AFS
 Joel Johnson, Littlefork Program Forester
 Lawson Gerdes, Ecological Services, MCBS
 Mike Albers, Forest Health Specialist
 Jeremy Fauskee, Littlefork Timber Program Forester
 Mike Phillips, Minnesota Forest Resources Council – Site Level Coordinator
 Frank Swendsen, Area Supervisor, Wildlife Division DNR
 Larry Petersen, Assistant Frank Area Supervisor, Wildlife Division DNR
 Tony Mastrian, Forestry Technician, Littlefork
 Doug Tillma, N.E. Region Timber Program Forester
 Tim Quincer, Region Forest Wildlife Coordinator, DNR-Brainerd
 Chris Scofield, Forest Technician, International Falls
 Michael Eilers, Forest Technician, Littlefork
 Alan Jones, Forestry, St. Paul
 Peter Lindemanis, Forestry, Big Falls
 Eric Buchanan, Forestry, Big Falls
 John Lumppio, Forestry, Big Falls
 Jean Mouelle, Forestry, Silviculture & Roads, Central Region
 Jim Rupert, Assistant Regional Forest Supervisor, NE Region, Grand Rapids
 Michael Lee, Ecological Services, Plant Ecologist

| Stop | Location and Description |
|------|--|
| 1 | Winter Miller Road: Traveled 2 miles of a winter road viewing road conditions, ATV/OHV use of road, and user created trails. Extensive rutting. |
| 2 | B 2262 51-acre Aspen regeneration cut adjacent to oak old-growth. Scattered and clumped oak retention. Old growth protected through minimizing area of disturbance and retaining more trees in the transition. Old growth stand was incorrectly mapped in inventory. |
| 3 | B 1407 164-acre black spruce clearcut. Large block design with no retention to |

| | |
|---|---|
| | minimize mistletoe. Black spruce clearcut very thorough (no standing vegetation remained, which is consistent with mistletoe guidelines to promote health); used mechanized harvester with hot saw and mechanical arms to ensure total removal of trees); wet, organic soil site varies from poor to good; helicopter seeded, might burn slash; site impacts consistent with Minnesota site level guidelines. One small area of rutting addressed by moving operator. |
| 4 | Highway 71 - Black spruce mistletoe damage pocket; discussed ecology, silvics of black spruce given ecology of mistletoe; habitat considerations. Discussion of spread rates, design of silviculture to reduce spread, and important habitat for spruce grouse and palm warbler. |
| 5 | B-1104 261-04-002 clearcut harvest mixed pine completed fall 2004; April 2005 raked logging slash and applied Accord/Garlon/Oust; spring 2006 planted 900 Norway pine 7 foot spacing; observed technician applying Plantskyd deer repellent. |
| 6 | A-8031 T155 R25W S21 - 30-acre site cut Jack Pine with Aspen pockets, but goal is Jack Pine; herbicided to kill aspen, mostly natural except 5 acres planted and treated with Plantskyd; now considered established; limited Armillaria kill. |
| 7 | 261-03-063 T 155 R25W S35 - Clearcut with reserves; cut winter 2004; spring slash raked, then planted, bare-root and/or poor planting stock didn't reach goals; replant May 2005 white spruce hand plant containerized at 7 foot spacing; next step hand release when leaves are off. |

2.4 Status of Corrective Action Requests

Minnesota DNR FSC Certification Assessment- Draft Corrective Action Requests (CARs)

Note: italic text in the following tables is taken directly from MN DNR's written responses to the CARs, which were submitted to SCS in early October 2006.

| CAR 2005.1a (Phase 1 & 2) | Reference: Criterion 1.5, 6.5 |
|--|--------------------------------------|
| <p>Phase I. Within 6 months of award of certification (estimated to be June 2006) DNR must complete an analysis of whether current staffing resources are adequate to complete the trail designation process within the scheduled timeframe, while still allowing for an open and transparent process, and meeting SFRMP planning targets (see CAR 2005.8). If resources are not available, DNR must seek additional funds to complete the planning process within the stated timeframe.</p> <p>Phase II. By the time of the 2006 surveillance audit (scheduled for fall 2006), DNR must develop and implement an improved enforcement strategy (for example: adding more Conservation Officers, higher penalties) for minimizing unauthorized OHV and ATV usage and related resource damage. This strategy should begin with a comprehensive assessment of whether current enforcement staffing and penalties are strong enough to effectively minimize illegal activity taking into consideration the number of miles of trails that can be effectively policed by each officer.</p> <p>In reviewing the response to this CAR, SCS will consider DNR's written strategy for minimizing</p> | |

unauthorized ATV/OHV use, interviews with DNR staff and outside stakeholders, and on-the-ground assessments of damage as evidence as to whether or not a significantly improved strategy has been achieved.

Action Taken By Certificate Holder

Summary of DNR Response

Phase 1

DNR responded in writing on July 5, 2006 stating that the planning process has and will continue to receive high priority. DNR's analysis of current staffing resources for OHV planning found that *"In the fall of 2003, DNR began the designation process on twelve State Forests. These initial designations took up to two years to complete. A number of adjustments were made to speed up the process while improving interagency and public participation. The current group of sixteen State Forests is on track to be completed in fourteen months and DNR expects to complete all the designations ahead of schedule. The early planning process required large amounts of staff time. Current methods require less staff and the learned efficiencies have improved our effectiveness. Despite a slow start, several key mid-course planning process refinements and staffing adjustments have combined to dramatically increase the pace of planning. In addition, one currently vacant planning position will also be filled by mid-2006, bringing the effort once again up to full-staffing levels."*

Notable aspects to the change in the planning process, according to DNR are:

- Public involvement occurs earlier in the process resulting in improved outcomes.
- There is improved cooperation with other land managers, particularly Counties and the National Forests.
- The process is being headed up by fewer and more experienced staff.
- The DNR created 3 high level planning positions.
- The GIS has been modified to better fit classification and trail designation process.
- Overall more efficient process Rum River and Chippewa were done in 23 and 8+ months respectively.

Phase II

DNR has improved its enforcement strategy by allocating more time for enforcement, focusing enforcement, educating riders, and improving content and dispersal of information.

DNR Response: Following are key excerpts from the DNR's response.

"The DNR has responded with an unprecedented mobilization of staff and resources.

Enforcement Strategy

MN DNR's enforcement strategy includes more officers spending more time on stepped-up field enforcement. It features an especially strong focus on OHV enforcement on fewer miles of better managed trail in newly reclassified state forests. Other critical elements include rider safety

training, local OHV Safety and Enforcement Grants, sponsorship of special events such as 'Safe Wheelin Weekend', and mounting special (saturation patrol) work details when and where necessary. Together, these steps will improve overall rider compliance with OHV regulations.

Special Focus Areas

The DNR has now completed the forest classification and trail designation review of sixteen state forests. The Department has identified 12 of these forests as special "focus areas" for stepped-up monitoring and enforcement. Increased enforcement activity is intended to boost compliance with new riding restrictions and trail designations.

Coordination

Trails & Waterways (TAW), Forestry and Enforcement Area Staff meet monthly May-September to coordinate monitoring and enforcement activities. TAW takes the lead in scheduling the meeting and provides a summary report on the repair, monitoring, and enforcement activities from the previous month. The summary reports will be submitted to the respective DNR Division Directors and NE/NW Regional Directors.

Field Enforcement Assessment

The DNR Enforcement Division is responsible for ensuring public safety and compliance with off-highway vehicle regulations. Major responsibilities include law enforcement, public safety and rider education in: 1) Responsible vehicle operation, especially as regards alcohol use, careless or reckless operation; and, 2) Protection of the state's land, water and vegetation. The Division's scope of operations is focused on the 11,000+ miles of inventoried routes on state (4.2 million acres) and on county-administered forest lands (2.9 million acres).

Program Funding & Work Planning

The Division of Enforcement's operating budget for FY 2004-05 was comprised of: Game & Fish Funds (65.3%), State General Fund support (14.7%), Water Recreation Funding (8.1%), Snowmobile Funding (4.4%) and OHV Funding (7.1%). Time and dollars spent on OHV enforcement and safety training activities have increased substantially in recent years.

Hours spent on OHV Law Enforcement and Safety Training activities have increased from the FY 2004 level of 17,339 hours to a statewide total of 26,620 hours in FY 2005 and 28,052 hours in FY 2006. A total of 53 new officers have been hired and staffing costs (time spent on OHV enforcement) have nearly doubled over this same period. Enforcement efforts have grown commensurate with increased numbers of riders and registered vehicles in order to reduce injuries and fatalities associated with unlawful operation. The Division of Enforcement has also initiated Task Force Operations (or 'Special Work Details') to address localized enforcement problems. Again, the goal is improved rider behavior and compliance with state law.

Future Enforcement Efforts

The majority of State Forest Lands are located in the northern two-thirds of Minnesota. Present staffing includes 80 Conservation Officers and 10 District Supervisors. This total includes Recreation Officers located in NE and NW Minnesota that specialize in recreational vehicle enforcement. Work planning hours for these officers included the following hourly allocations for FY 2005:

- 10,191 All-Terrain Vehicle Enforcement / Education Hours, or 127 hrs / FTE.
- 1,356 Off-Road Vehicle Enforcement / Education Hours, or 16 hrs / FTE.
- 678 Off-Highway Motorcycle Enforcement / Education Hours, or 8 hrs / FTE.

Increased enforcement efforts are focused on the newly reclassified state forests and designated OHV trails, where it is anticipated that added effort will be required, at least at first, to secure user compliance. That's because some existing motor routes, previously legal to ride, may be closed during the planning process. Compliance should improve with time and familiarity with new riding rules and route designations. Newly designated OHV trail systems will be closely monitored over time in order to refine initial enforcement staffing estimates and cost projections.

Local OHV Safety & Enforcement Grant Program

Legislation in 2003 first authorized and appropriated \$200,000 to the Department of Natural Resources to fund the OHV Safety & Enforcement Grant Program. This program was subsequently re-authorized for FY 2004, FY 2005, FY 2006 and FY 2007. Under this program, Minnesota counties are invited to apply for reimbursement grants for a variety of eligible activities and expenses; including staff time to participate in OHV safety and enforcement activities; for purchase, maintenance or repair of ATVs used in patrolling; for purchase or repair of OHV trailers; or for helmets or other protective gear needed for OHV patrol activities (not including uniforms).

Award amounts are based upon the following criteria:

- *Total public acres within the county (i.e., state, federal, county).*
- *Public waters within the county (i.e., since they are frozen and navigable by OHVs much of the year).*
- *Number of registered OHVs, and number of OHVs used in the county, and:*
- *County participation in OHV enforcement.*

For 2005, grant amounts range from about \$2,500 to over \$20,000. Not all counties have elected to participate. Grant recipients are asked to track and provide proof of eligible expenditures incurred under the program. Grant applications and application instructions have been distributed to all eligible agencies via the Minnesota Sheriff's Association. Program information and grant applications are also available at www.dnr.state.mn.us.

Information & Education

A 2005 DNR marketing study found that Minnesota off-roaders need more and better information about where they can legally ride. In response, the DNR, with the assistance of a Twin Cities public relations and marketing firm, developed an information and education campaign to address these unmet needs, and to begin to improve rider compliance and behavior. The 'Find the Trails' marketing campaign addressed the need for improved informational materials (e.g., website upgrade, more and better maps, trail condition alerts, billboards, printed materials, direct mailings, etc.). Examples can be found at www.dnr.state.mn.us, or at the new URL created specifically for this purpose www.findthetrails.com. These improvements have, so far, met with resounding approval from recreationists at-large, and especially from OHV clubs, sponsors and advocacy groups.

As part of this effort, the DNR has developed updated maps for each of the newly classified state forests showing all designated roads and trails. On-site kiosks are planned for parking/staging areas in each of these forests to inform visitors of rules, regulations, riding opportunities, expected riding behavior and suggested trail etiquette.

Similar to traffic regulations, off-highway vehicle violations and related penalties are misdemeanors under Minnesota law. Misdemeanors are serious violations that can carry fines up to \$1,000 and jail sentences up to 90 days. Depending on the type of violation, case records are tracked via written warning, court summons, civil citations and/or Incident Complaint Reports (ICR).

The arrest and conviction rate for OHV violations is comparable to that of other recreational vehicle violations (e.g., snowmobile, watercraft) in Minnesota. The conviction rate for ATV violations over the last two years was 87%. The penalties for OHV violations in Minnesota are more severe than in neighboring states. The statewide fine schedule set by the courts for operating an OHV in a restricted or closed area in Minnesota carries a fine of \$184.00 (first offense) compared to \$76.40 in Iowa, \$94.00 in South Dakota, \$50.00 in North Dakota, \$150 (civil fine) in Michigan, and \$160.00 in Wisconsin.

In addition to criminal penalties, Minnesota also has a civil citation process for OHV violators, which is often used for OHV trespass and wetland cases, because civil penalties can be more severe. The civil process can also be used instead of the criminal process in cases where criminal prosecution for OHV violations is uncommon or lacking in priority. The penalty for the first violation is \$100, and it can rise to \$1,000 for the third or subsequent violations when wetlands or public waters are involved. Penalties may be doubled if a snorkel device is used. Restitution may be required of convicted violators in cases involving property damage. Together, Minnesota's civil restitution and criminal penalties provide an effective deterrent to illegal or irresponsible OHV operation.

Compliance: The Key to Success

Securing compliance with Minnesota's off-highway vehicle regulations is central to attaining the DNR's long-term goal of 'managed use on managed trails'. This task will be made easier by the substantial net reduction in motorized route miles resulting from the forest reclassification & motor access planning process. Of the 16 forests completed to date, for example, more than half of the total inventoried routes, formerly legal to ride, have now been closed to most OHV use. Six of the forests are now closed to all OHV use. This will enable Conservation Officers to spend more time on fewer miles of legally-designated OHV travel routes."

DNR's full response to this CAR is available upon request from SCS or DNR.

SCS Observations and Findings from the October 2006 Audit

Phase I

Based on the analysis completed by DNR, the team is assured that the trail designation process is on track to be completed within the scheduled timeframe, as is specified in the CAR. DNR's

prioritization of OHV planning and their improving of the efficiency and effectiveness of the planning process should allow them to complete the trail designation process on schedule (or at least there is no apparent reason why the schedule will not be met). Phase 1 was adequately addressed by DNR, and is therefore closed. However, because the OHV Planning initiative is essentially an unfunded mandate, less time and resources are available for SFRMP and other initiatives. Limited resources for SFRMP are discussed under CAR 2005.3 and CAR 2005.9.

Phase II

As detailed in its response to this CAR, DNR has improved and continues to improve management and enforcement of OHVs. As of September 2006, the forest classification/trail designation process had been completed on 16 state forests covering 370,791 acres of state forest and 198,208 acres of county forest. Of the 2,576 miles of inventoried routes 1,458 miles were closed. DNR has strengthened enforcement through more Conservation Officers spending more hours on OHV surveillance. Also, as a result of trail and area closures, staff resources for enforcing unauthorized riding are effectively enhanced because there is less ground to cover. DNR is still in the early stages in the implementation of many of their new planning, enforcement, and monitoring initiatives. For example, the Focus Forest program was just implemented and the WHEELS monitoring program starts in January 2007. In addition, most of the state forest system is still going through the designation process. Therefore, conclusions on the effectiveness of the new designations and monitoring/enforcement approaches are premature. Although the effectiveness is to be determined, the overall effort to better manage OHVs is clearly a significant improvement over historical efforts.

Unfortunately, while efforts to improve management of OHVs are in progress, unauthorized OHV use is still occurring, resulting in adverse impacts on forest resources. While DNR works to reduce, and eliminate damage from unauthorized use, there must be an effective mechanism in place to repair damage that occurs. Although DNR has such a mechanism funded through the damage account, funding is not sufficient to address the scale of the problem. The damage account is too restrictive and inadequately funded (see CAR 2006.7).

The auditors conclude that closure of part II of CAR 2005.1 is warranted on the basis that efforts to improve enforcement have been developed and are being implemented. A new CAR, CAR 2006.7, is stipulated to require continued follow-through with implementation and development of effective mechanism(s) for repairing damaged areas.

Additional Auditor Observations and Findings related to OHV Management

Managed Classification

The managed classification is an “open unless posted closed” trail designation that is available for state forests north of U.S. Highway 2. A number of individuals and groups, such as SAF Minnesota Chapter, Minnesota Center for Environmental Advocacy, and the Isaac Walton League, oppose the managed classification because they believe it is difficult to enforce, leads to more user created trails, contributes to off-trail riding, disturbs hunting opportunities, and for other reasons.

On the other hand, there are numerous groups and individuals that prefer the access opportunities associated with the managed classification versus the more restrictive limited classification. Many forest users in Northern Minnesota are highly accustomed to relatively open access. However, the current DNR OHV planning process is driven by an overarching objective to better control and manage OHV access, which means restricting some access; these restrictions are invariably viewed as a threat by many OHV users. As a result, preserving access is a top priority for many forest users in Northern Minnesota. At a public meeting in Warroad in February 2005, the overwhelming majority of the 2,000 plus stakeholders present expressed support for the managed classification.

As described above, public viewpoints/desires on OHV access differ tremendously. Because of these competing and contradictory interests, there is a need for a balanced and measured approach to control/limit forest access in parts of Northern Minnesota. The State Legislature, a duly elected representative body reflecting the interests of the voting citizens of Minnesota, recognized this need for a balanced approach when it passed the legislation instructing the DNR to consider the managed classification for state forests north of Highway 2. DNR is duly exercising the discretion given to it by the State Legislature.

Improving land management cooperation and coordination with northern Minnesota counties is another factor justifying the managed classification on a forest-by-forest basis. There is a long history of tension between the state and some northern counties in Minnesota, particularly Beltrami County. Imposing a limited classification on all northern Minnesota state forests would likely create strained and uncooperative relationship between the counties and citizens of Northern Minnesota and the DNR. Implementing trail closures and changing riding behavior takes time and active cooperation by all relevant jurisdictions to be effective. Counties have the ability to opt out of the DNR's forest classification/trail designation planning process. In two instances, counties have taken a position that the limited classification was a non-starter for continued cooperation. Effectively managing OHV use without county participation would be difficult in state forests with mixed county/state ownerships.

Although the FSC Lake States Standard is silent on how OHV trails should be managed, the following Criteria suggest a managed classification is responsive to and consistent with FSC expectations:

- C. 2.2- Honoring customary use rights;
- C. 5.4- Managing the forest for a diversity of uses;
- C. 4.4- Incorporating **local** public concerns into management decisions.

In conclusion, DNR has invested a tremendous amount of resources to address an extremely divisive and socially challenging problem. Given: a) that the FSC Lake States Standard is silent on how OHVs should be managed, b) the direction from the State Legislature for DNR to consider the managed classification, and c) the competing desires from different interest groups, the audit team concludes that the managed classification does not conflict with FSC requirements for responsible management.

Allegations that DNR Staff Fear Reprisal for Expressing Viewpoints on OHV Issues

Indicators 4.1.b, 4.1.f, 4.3.b. require: a) a quality work environment, b) workers to be covered by all State and Federal labor laws regarding discrimination, wages, benefits, and other conditions of employment and, c) development of effective and culturally sensitive methods for resolving disputes. Since the initial assessment, some external stakeholders have claimed that fear of reprisal is keeping DNR staff from expressing concerns on OHV management, viewpoints that may run counter to the desired direction of the Commissioner's Office. SCS has found no evidence that retribution has occurred, and the overwhelming number of DNR staff interviewed did not share this fear of reprisal. However, a few DNR employees have expressed concerns about their ability to voice dissenting viewpoints in a threat free manner. Furthermore, DNR does not have a clearly defined procedure that describes how employees can raise dissenting viewpoints/concerns in a threat free manner. DNR must clarify the process that employees can use to air concerns or grievances in a threat free manner (CAR 2006.8). Furthermore, due to the seriousness of these accusations, SCS will continue to assess this issue during upcoming surveillance audits and take further action as necessary.

Status: Phase I and II Closed. Follow-up related CARs 2006.5, 2006.7 and CAR 2006.8

| | |
|---|--------------------------------------|
| CAR 2005.1b | Reference: Criterion 1.5, 6.5 |
| <p>Within 6 months of award of certification, DNR must review all of the stakeholder concerns on motorized access (as reported in the SCS Assessment Report) and demonstrate to SCS and concerned stakeholders how DNR's designation process, enforcement capabilities, and other management of motorized access addresses or will address these concerns. The audit team recognizes the difficulty in meeting the needs of all user groups and understands the challenges of the DNR's multi-use mandate. However, the auditors find that many stakeholder concerns are relevant to DNR's conformance with the Lake States Standard. Thus, a genuine response and active effort to address these concerns is warranted.</p> | |
| <p>Action Taken By Company (Certificate Holder Response)</p> | |
| <p>Summary of DNR Response On 6/27/06 DNR submitted their response to FSC CAR 1.a. Phase I and FSC CAR 1.b. DNR summarized the fifty-four individual comments from the SCS report into twelve categories of concern. DNR prepared responses to these twelve categories of concern and posted them to the DNR website at http://www.dnr.state.mn.us/forestry/certification/index.html.</p> | |
| <p>SCS Observations and Findings from the October 2006 Audit</p> | |
| <p>DNR demonstrated that their designation process, enforcement capabilities, and other management of motorized access currently addresses or will address the majority of concerns expressed by stakeholders. It is simply not possible for DNR, or any other public lands manager, to address all of the concerns to the full satisfaction of all competing interest groups. Motorized versus non-motorized recreation is one of the issues where satisfaction of all parties is highly unlikely. However, DNR has demonstrated good faith and a bona fide effort at managing for the diversity of forest interests (as defined by their legislative and historical mandates). DNR has more work to do in responding to stakeholder concerns about landscape-level and cumulative impacts that OHV trails have on wildlife and non-motorized forest users (covered by CAR</p> | |

2006.1 and CAR 2006.3), impacts of open access north of US Highway 2, and impacts from hunter exemptions. This is covered by CAR 2006.1 and CAR 2006.3.

Disposition as a result of this audit: Closed

CAR 2005.2

Reference: Criterion 3.2, 3.3

By the time of the 2006 surveillance audit, DNR must develop and implement a written protocol that specifies an improved process for consulting Tribal representatives on timber sales and other planning efforts. In particular, protocols need to ensure that Tribal Heritage Preservation Officers are consulted in reference to road closures and access and timber sales. The consultation process shall abide by nation-to-nation protocols established by the DNR and seek to implement culturally appropriate mechanisms for contacting and working with Tribal representatives.

Action Taken By Company (Certificate Holder Response)

Summary of DNR Response: *“The Minnesota DNR team assembled to address this CAR includes Forest Certification Coordinator Andrew Arends, Forest Resources Planner, Lynn Sue Mizner, and DNR Tribal Liaison, Paul Swenson. The following actions have been taken in an effort to begin to address the shortcomings identified in this CAR:*

- *In February, 2006, a CAR response team member attended the Cooperative Stewardship Conference in Red Wing, Minnesota. Minnesota Indian Affairs Council (MIAC) hosted this conference, which was attended by staff from the office of the State Archaeologist, staff from the Smithsonian Institution, Tribal Heritage Protection Officers (THPOs) from the 11 federally recognized tribes in Minnesota, and many other interested parties. At this conference, contact was made with Jim Jones of the MIAC, who agreed to meet again to assist in the development of a training program that would begin to address this CAR.*
- *In March, contact information for the THPOs in Minnesota was added to the existing list of tribal contact persons provided to Area Forestry offices in Minnesota.*
- *Contact was made with the National Tribal Relations Program Implementation Team at USDA Forest Service. They provided a current report that includes recommendations for training to accomplish the improvements identified in the CAR. The CAR response team, using the federal program as a guideline, developed a draft program for DNR Division of Forestry.*
- *The CAR response team met to discuss the draft program for Div. of Forestry, and to review a number of other documents that might have relevance for the CAR response, including a memorandum of understanding among Minnesota Department of Transportation and the 11 federally recognized tribes of Minnesota. It was determined that similar MOUs among the tribes and DNR could not be accomplished within the CAR response timeline, but that they might be undertaken in the future.*
- *A second and third meeting were held with Jim Jones of MIAC; he approved the strategy being developed, shared some educational materials that might be valuable for division of Forestry and Wildlife Section staff, and suggested contacting USDA Forest Service to see whether training they offer to their staff might be adapted to Minn. DNR. He also suggested that training contractors who provide federal training might be willing to conduct training for Minn. DNR staff. The core competencies identified by the Forest Service were evaluated for appropriateness for Minn. DNR staff.*

- *Lynn Sue and Andrew met in early July and reached agreement on a pared-down proposal that could be accomplished by Minn. DNR Div. of Forestry within the CAR response time frame.*
- *Lynn Sue attended a Tribal Conservation Advisory Council meeting in Onamia, Minnesota in August. At that meeting tribal representatives discussed the formation of Tribal Conservation Districts in Minnesota; representatives from tribal governments in other states shared their [largely satisfactory] experiences. Minnesota tribes expressed interest in forming their own Conservation Districts; these would potentially be appropriate points of contact on natural resource management issues.*
- *The CAR response team agreed that incoming cohorts of Entry-Level Professional Foresters should receive training in the Modules 1 and 2 Core Competencies identified by USDA Forest Service, and that all DNR Div. of Forestry and Wildlife Section Staff should immediately be trained in Module 1, with Supervisors receiving Module 2 training in conjunction with either a scheduled DNR Supervisors meeting or an available USDA Forest Service staff training opportunity. Specific information about state tribal relations policy could be provided in conjunction with, or in addition to, Module 2 training sessions. The possibility of offering the Module 1 training as an online self-study option was evaluated and found to be attractive.*
- *On Sept 18, Lynn Sue will be attending a continuing education session for mediators on the topic “Exploring How Indian Culture Expands our Understanding and Practice of Transformative Mediation”: “The session explores the link between transformative ideas and American Indian assumptions and practices of conflict resolution. By comparing and contrasting traditional ideas about resolving conflict with the cultural/practice experience of American Indians, our understanding of both empowerment and recognition are enriched.”*

SCS Observations and Findings

The audit team verified that the above actions have occurred or are scheduled to take place. Stakeholder consultations confirmed that DNR’s outreach, as described above, has occurred. DNR’s follow through with enhanced tribal resources training will be assessed during the 2007 surveillance audit.

Disposition as a result of this audit: Closed

| | |
|---|---------------------------------|
| CAR 2005.3 | Reference: Criterion 5.1 |
| By the 2006 surveillance audit DNR must: | |
| <ol style="list-style-type: none"> 1. Carry out an analysis to determine areas of forest management and resource protection most suffering from current staffing levels and work load 2. Develop and pursue strategies for securing additional resources for areas of management in greatest need of attention. | |
| Prepare a briefing report on the steps taken and progress made | |
| Action Taken By Company (Certificate Holder Response) | |

Summary of DNR Response:

Status October 2006

*“The MN DNR carried out an analysis to assess adequateness of current staffing levels. DNR used the Focus Areas identified in the Strategic Conservation Agenda as the basis for this analysis. These Focus Areas are **subsection forest resource management planning (SFRMP), off-highway vehicle planning, timber management, and training of DNR staff to conduct a number of inventory projects.** The following excerpts from the DNR response provide an overview of the results of the analysis of resources available to address each focus area.*

Focus Area 1: SFMRP

***Concern:** Subsection forest resource management planning (SFRMP) is a key focus area because the Department believes that this comprehensive, inter-disciplinary vegetation management plan is fundamental to practice sustainable forest management. Much as the Conservation Agenda provides a clear direction for resource management by the DNR, SFRMP provide Department resource managers long-term strategic direction. The Department’s analysis centered on plan development, plan completion, and the likelihood of adhering to the completion timelines.*

Conclusion:

The Department believes that the majority of the remaining SFRMP plans can be completed on time because of streamlined planning techniques learned from the initial plans, the consultation and recommendations provided by the SFRMP Process Group, the addition of new planning and ecological staff to the Department, and the relatively modest amount of overall staff time taken to complete the plans. However, stakeholder concerns, which the Department is addressing, may slow the planning process on the last two SFRMP plans. The Department may adopt a new modeling system to meet these new challenges. New processes may cause a delay for the remaining plans.

Focus Area 2- State Forest Classification and Trail Route Designation

***Concern:** The second focus area will concentrate on the off-highway vehicle issue. This focus area was selected because the use of state forests by OHVs can be one of a number of uses that the state forests can provide, but overuse or unmanaged use can lead to significant damage. OHV management continues to demand DNR staff time and resources. Monitoring trail usage, developing guidelines, enforcing rules and regulations, completing OHV forest designations, and trail development and maintenance were analyzed.*

As reported in the DNR’s response to FSC CAR 2005.1.a. Phase I and Phase II, the DNR has made substantial investments into completing the OHV planning project and implementing and enforcing the plans. For more information please review the DNR’s response to FSC CAR 2005.1.a. Phase I and Phase II.

Focus Area 3: Department’s timber sale planning and management

Concern: Another key focus area is the Department's timber sale planning and management. This focus area was selected because of the resources the Department invests in preparing for and administering timber sales permits. Workload analysis focused on the following: inventorying state land, cruising prospective stands, preparing timber sale permits, permit administration, and enforcing the MFRC Site Level Guidelines.

Conclusion: The Department's timber sale accomplishments verify that its efforts to better manage its staff, using contractors, and hiring new foresters are making it possible to meet its timber sale targets. For fiscal year 2006, the DNR offered 802,122 cords of timber. The goal was to offer between 766,277 cords and 846,936 cords. Forestry also set a goal of inspecting 222 timber sales during FY 06. The inspection goal was met; 237 timber sales were inspected in FY 06.

Focus Area 4: training of DNR staff to conduct a number of inventory projects

Concern: The final focus area is on 1) training needed so that DNR staff can use land management tools and import data into the inventory systems: and 2) timely completion of inventory projects. The analysis concentrated on the training needed so that staff can use the Ecological Classification System (ECS) and FORIST. FORIST is the overarching software umbrella that the Silviculture and Roads Module (SRM), Forest Inventory Module (FIM), and the Timber Sales Module (TSM) reside under.

Conclusion: The combination of ECS and FORIST training and implementation are leading to a workforce that can fully utilize the tools that the Department has developed. Though ECS designations are not yet needed for most forest management activities, resource managers are using the tool in the field to help guide their management decisions. Soon managers will have silvicultural interpretations to assist their resource management. FORIST, which is only two-thirds complete, is already assisting field staff to better manage the state resources. Budgets, inventory, timber sales, and project plans are better managed because of FORIST."

January 2007 Update:

The Minnesota Department of Natural Resources, in response to the draft FSC surveillance audit report prepared by Scientific Certification Systems, submits this document to provide information that was either not available last fall or, was at that time, confidential.

Strategies

The Department has employed a number of strategies to meet its natural resource management targets. The Department's strategies include securing funding for Divisional needs through the legislative process, improving the efficiency of current procedures, and cultivating additional coordination between Divisions. A balanced pursuit of attaining additional funding, gaining efficiencies, and increasing coordination, the Department feels, are the preferred avenues to meet its resource management obligations.

- Funding

A number of Departmental budget initiatives have been submitted to the Governor's office to be included in the state's biennial budget. On January 22, 2007, Governor Pawlenty released the state's budget for the next biennium. The proposed budget includes a number of funding initiatives the Department sought. The Department was unable to disclose the following budget information last fall because, according to protocol, the details of Departmental initiatives cannot be released to DNR staff or the public before the Governor announces his proposed state budget. See www.finance.state.mn.us/budget/operating/200809/gov/338439.pdf for more information. The following dollar figures are for new monies for resource management; not extensions of current funding levels.

o Division of Forestry

- The Governor has included in his budget \$750,000 to hire fifteen new foresters. These foresters would work primarily on timber sales, making ECS designations, identifying forest development needs, and supervising active timber permits. It should be noted that these are new positions and not simply replacing retiring foresters. These positions will result in a net gain of fifteen FTEs for the Division of Forestry. (Note: The Division will continue to hire new foresters to replace retiring foresters. Roughly twelve to fifteen foresters are expected to retire this year.)*
- \$1,000,000 per year for forest improvement efforts (pre- and non-commercial thinning and seedling protection).*
- \$1,100,000 for forest road maintenance (grading, graveling, and resurfacing).*
- \$600,000 per year for the implementation of the ECS. Contracts will be signed with resource professionals to make ECS designations on roughly 70,000 acres. Contracting this effort will free up time for Departmental staff to work on other projects.*
- \$350,000 per year to address invasive species issues on state administered forest lands. The dollars will fund the inventory of high-risk areas, control terrestrial invasives, and hire an Invasive Species Specialist within the Division of Forestry.*
- \$400,000 per year for the acceleration of re-inventory of state administered forest lands. These dollars would double the amount of re-inventory completed in FY '08 and '09.*
- \$1,500,000 per year to support additional technical and cost-share assistance to non-industrial private forest landowners. One-third of the dollars would be marked for contracting with consulting foresters to write stewardship plans, one-third for cost share dollars for forest management*

projects, and one-third for hiring seven or eight private land foresters within the Division of Forestry.

- *\$500,000 to address escalating land asset management demands (such as boundary disputes, access easements, and sale/exchange/acquisition of forest lands). The dollars would be used to hire three Division of Forestry employees and provide \$300,000 for contracting.*
- *Other Funding/Resource Efforts*
 - *Division of Fish & Wildlife*
 - *A Central Region Assistant Manager will be hired to assist with resource management issues in the Anoka Sand Plain and Blufflands Subsections.*
 - *A Forest Wildlife Coordinator, stationed in Grand Rapids, was hired last year. He's been re-directed to work more closely with the SFRMP process by researching and performing data analysis to support the SFRMP planners.*
 - *The Northwest Regional Forest Wildlife Coordinator position has been temporarily filled. It's anticipated that the position will be permanently filled in the future.*
 - *Division of Forestry*
 - *The Division of Forestry will be hiring a forest economist to assist, among other things, the SFRMP process.*
 - *A forest entomologist has been hired by the Division of Forestry to help with a number of projects including invasive, exotic species planning.*
 - *Several Departmental staff worked as members of, or closely with, the Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry to develop recommendations to retain and increase the competitiveness of Minnesota's forest industry. See http://files.dnr.state.mn.us/publications/forestry/gov_taskforce/govforestindustryreport2006.pdf for the task force's recommendations. Note that many of the recommendations from this task force align with the Governor's budget recommendations.*
 - *Division of Ecological Services*
 - *The Division of Ecological Services has appointed Regional Managers to each of the Department's four regions. These newly created positions, an investment of nearly \$650,000, will assist the SFRMP and OHV planning process, provide leadership to staff, and coordinate Regional projects.*
 - *Ecological Services will also be filling the vacant Northwest Plant*

Ecologist position, hiring a Central Region Non-game Wildlife Specialist and Technician, and creating and filling a new Central Office Invasive Species Supervisor position.

- *Efficiency*

The Department continues to review its policies and procedures looking for opportunities to gain efficiency. Streamlining, finding alternatives, or re-structuring processes can lead to gains in efficiency.

- *The SFRMP planning process, like the OHV planning process, has undertaken a number of streamlining steps. See “Attachment A to Major CAR 2006.1” for information on the SFRMP streamlining steps taken by the Department.*
- *The DNR is seeking additional contracting dollars to hire professionals to make ECS designation and to inventory state administered forest lands.*

- *Coordination*

An elevated level of coordination must be achieved for a team, organization, or Department to reach peak performance. Coordination is more likely to occur if staffing levels are adequate, there is trust across Divisional boundaries, policies and procedures are clear, and unifying goals have been established. The Department has taken steps to increase coordination.

- *The Forestry, Wildlife, and Ecological Services Coordination Policy will be completed by late spring 2007. This coordination policy sets the processes and procedures that guide, at the Region and Area level, the Department’s resource management by clarifying roles, assigning tasks, and designating responsibilities.*
- *The Internal Audit Team will start its mission to review the Department’s forest management this year. Increased coordination and understanding between staff, and Divisions, will be a by-product of the IAT program.*
- *Continued updating and publication of the Conservation Agenda helps to unify staff on the core missions of the Department. This publication provides staff “management direction by defining agency-level performance goals critical to mission success”.*

SCS Observations and Findings from the October 2006 Audit

SCS Findings: *The original CAR was triggered by the following observation during the 2005 audit “Across the state, we observed DNR resources stretched very thin, to the point that it threatens the ability to conform with Criterion 5.1. We understand deferred activities occur within every organization; however, our concern is that some aspects of forest management are being deferred or rushed to the extent that will call into question DNR’s long-term ability to maintain certification.”*

During the 2006 audit, we observed insufficient resources to accomplish some important management objectives. The area of most concern is completion and implementation of SFRMP-

see CAR 2005.9, and other planning responsibilities. We observed the following gaps, which we believe are at least partially due to insufficient resources:

- Substantial delay on finalizing and implementing SFRMPs. The latest projection for completing SFRMP's is now mid-2008, and the scheduled completion date for many of the plans is delayed one year.
- Insufficient communication and training on plan implementation as indicated by staff working within the Agassiz Lowlands and Border Lakes region either receiving training very late into the plan for Border Lakes or not yet receiving any training for Agassiz Lowlands.
- Delay in finalizing and distributing key documents to field staff, such as Old-growth Guideline Amendment #2, which covers additions to the old-growth network, and the Coordination Policy.

Other evidence of resource limitation includes:

- Limited time to update and correct spatial errors found in the old growth database.
- Division of Wildlife admitted they are having a hard time finding people to serve on OHV planning teams.
- Limited progress on BMPs for Invasive species.
- Limited progress on updating forest/wildlife management guidelines.
- DNR staff have an overall feeling that they have too many tasks and not enough time to complete them (as communicated by many DNR staff during audit interviews).
- Planners reassigned to coordinate state-wide OHV trail designation are overextended.

In the original response to this CAR¹, DNR provided what SCS believed to be an overly optimistic picture of available resources, and inconsistent with what was happening in the field, especially related to completion of the SFRMP. The Audit team generally agrees that the focus areas of OHV Planning, Timber Sale Planning and Management, and Training/Inventory with FORIST and SRM receive the necessary commitment from DNR. In January 2007 DNR presented new information to SCS (included above) that showed they have in fact requested sizable funding increases in the Governor's biennium budget. These increases include an additional 15 new foresters (a 7% staffing increase), tripling of funds available to implement ECS, doubling of funds for forest inventory, \$1 million for forest stand development work, \$1.1 million in forest road maintenance, and \$350,000 to address invasive species. By making these additional funding requests, DNR has largely addressed CAR 2005.3. However, as described above we observed numerous examples of shortcomings arising from insufficient resources. In particular, funding and staffing levels for completing SFRMP according to stated timelines. Furthermore, it remains to be seen how much of the increased funding request will be granted. Thus, SCS will close CAR 2005.3 and issue minor CAR 2006.4.

¹ In the first draft of this 2006 surveillance report, CAR 2005.3 was elevated to a Major CAR because DNR's evidence on requesting additional funds was not available to SCS. Upon review of the additional information, SCS determined that CAR 2005.3 had, in fact, been largely addressed, and the remaining portion could be covered in a new minor CAR.

Disposition as a result of this audit: Closed; See CAR 2006.4

CAR 2005.4

Reference: *FSC Criterion/Indicators 6.3(a)3, 6.3(a)5, 6.3(b)1, 6.3(c)3*

By the 2006 surveillance audit, DNR must:

- Develop and implement an operating procedure to ensure green tree retention practices are consistent with DNR’s Site Level Guidelines. The retention program needs to address the team’s observation that species, size class, and legacy patch guidelines are not consistently implemented.
- Provide evidence that all foresters are adequately trained in application of green-tree retention guidelines
- Monitor implementation of this program to improve green tree retention

Action Taken By Company (Certificate Holder Response)

DNR Response

“In response to this CAR, the DNR has, and is taking the following steps.

- 1. As part of annual and refresher training for the Minnesota Site Level Guidelines, specific attention has been, and will continue to focus on the objectives of green tree retention with specific attention given to age, size and orientation diversity.*
- 2. The existing electronic timber sales form, provides reminders and places for an appraiser to consider and record their rationale for green tree retention on each sale. The new Timber Sales Module system, which will be operational in January, 2007 will require appraisers to record green tree retention strategies to meet Site Level Guidelines, or the reasons for deviating from the guidelines, if prescribed.*
- 3. Quarterly meetings of region, area and St. Paul timber sales staff have, and will continue to, highlight this issue. Regional timber sales staff have and will continue to convey and highlight this issue with area timber program staff.*
- 4. Site Level Guideline training is a requirement of all DNR certified timber appraisers. Division of Forestry training records will demonstrate that each appraiser has received such training.*

Our FY06 timber sales inspection report shows continued improvement in the amount of green tree retention that is found on active timber sales. This system will be used to continue to monitor implementation and trends within this specific performance area, and provide an ongoing measure of compliance, or need for improvement.”

SCS Observations and Findings

SCS confirmed that the above actions have or are scheduled to take place. Additionally, an office memorandum was sent to Area and Regional Timber Sales Program Foresters and Area Forest Supervisors about meeting the “spirit and intent” (not just the letter) of the guidelines. Nearly all of the harvest sites visited during the 2006 audit were either not yet cut or were initially set-up prior to the origin of this CAR. Therefore, assessing progress was difficult. Nevertheless, the audit team did observe better conformance with the site-level guidelines for retention.

However, we observed some confusion about retention standards; e.g., there were different and competing opinions of when and how to apply “legacy patches”. The quantitative results from the 2006 FRC site-level guideline monitoring will not be available until 2007. Because of the lack of opportunity to view completed timber sales that originated prior to the 2005 assessment and the absence of FRC summary data, we will review this CAR again at the 2007 surveillance audit. The audit team determined that a one-year extension is warranted because actions were taken to address the CAR and improved conformance was demonstrated.

Position at the end of this audit: CAR extended; due at 2007 surveillance audit

CAR 2005.5

Reference: *FSC Criterion 6.3a*

By the 2006 surveillance audit, DNR must demonstrate to SCS, supported by a written memo, how the current efforts to set deer population levels will ensure that DNR deer population targets are consistent with ecosystem health goals. Additionally, the memo needs to demonstrate how appropriate information (i.e., accurate deer density information and information on deer density as it relates to responses in the vegetation) and tools (e.g., additional antlerless tags) are utilized to bring deer populations to the desired levels in areas of the state where desired regeneration is unachievable because of deer browse.

Action Taken By Company (Certificate Holder Response)

DNR Response:

DNR provided a comprehensive written response to this CAR including a 6- page memo directly responding to the CAR, the 2005 Goal Setting Report, and 2006 Forest Deer Modelling Report. The documents demonstrated to SCS that MN DNR:

“

1. *Completed its deer goal setting process for permit areas within the forested region of the state.*
2. *New deer population goals decreased for a majority of permit areas (78%) and most (68%) are now at or below a post harvest (wintering) population of 20 deer per square mile.*
3. *Changes in deer hunting regulations initiated in 2003 have resulted in overall deer population declines throughout the forested regions of the state, despite winter weather that would have predicted population increases.*
4. *Deer research biologists and cooperators are collecting and analyzing vegetation data as it relates to deer population densities and harvest strategies.*

As a result of implementing the citizen-based process, new population goals compared to existing modeled population densities decreased in 78 percent of the permit areas. Sixty-eight percent of the new population goals are now less than or equal to 20 deer per square mile (Figure 2.). Excluding the Park Rapids Area, 81 percent of permit area goals are equal or below 20 deer per square mile.

In response to a growing deer population, beginning in 2003 and continuing through 2006, the MNDNR further increased antlerless deer harvest (Figure 3.). This was accomplished through

MN Rule and Statute changes that allowed easy and abundant access to antlerless permits, as well as additional opportunities via lengthened seasons in some permit areas and special hunts.

As a result, relative antlerless harvest has increased in the forest zone (Figure 4) while buck harvests have declined or remained the same, strongly suggesting that deer densities in the forest have declined (Figure 5). This is in spite of mild winters that would typically result in population increases. For example, Figure 6 demonstrates how the population model would predict an increasing population given mild winters, and how increased antlerless harvest affects the modeled population.

To improve upon the MN DNR's knowledge of deer impacts to forest vegetation, staff at the Farmland Wildlife Populations and Research Group are conducting a study at Itasca State Park examining the relationship between deer density and deer herbivory on forest vegetation. The general design of this experiment is to manipulate deer population size on the park by substantially reducing deer numbers through aggressive deer hunting regulations. The response in forest vegetation parameters will be analyzed using deer density estimates as a continuous variable. As deer densities change over time, vegetation data collected each year will be regressed against annual deer density data to understand relationships between these variables.

Deer population size is estimated annually using infrared-triggered camera monitors to capture images of deer before and after each hunting season. Population estimates will be generated from these data using change-in-ratio models. In general, vegetation species diversity indices, browsing rates, and forest understory data are being collected to determine effects to vegetation. Data is being collected for woody, herbaceous, and non-vascular plants.

In addition, DNR is currently conducting a research project to evaluate both the effectiveness and social implications of deer reduction strategies. The research project involves the implementation of three different management strategies (early antlerless season, antler point restrictions, and earn-a-buck regulations) to determine the effect each regulation has on deer populations. Concurrently, DNR is surveying deer hunters to ascertain which regulation could be implemented with broad public support. Within the survey, hunters were presented with a suite of regulatory alternatives but not presented with the option of "doing nothing". DNR staff recognizes that the traditional management strategy of increasing season length and bag limits may have limited effects in certain areas. Consequently, new regulations are being tested with the intention of implementing them in areas where season length and bag limit have already been maximized."

SCS Observations and Findings

The audit team is impressed with the citizen-based approach to deer management. Other laudable efforts by DNR on deer management include:

- Actively changing hunting regulations to address growing deer population- e.g., increased antlerless harvest, lengthened season, and special hunts.
- Conducting a study at Itasca State Park examining the relationship between deer density and deer herbivory on forest vegetation.
- Initiating a research project to evaluate both the effectiveness and social implications of

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| <p>deer reduction strategies.</p> <ul style="list-style-type: none"> • In areas where deer densities limit regeneration and establishment of desirable tree species, DNR is making huge investments in protection to establish conifers (fencing and bud capping). <p>From these observations, the audit team concludes that DNR is doing what can reasonably be expected of them to address this problem. Minnesota also has the benefit of having a healthy wolf population and occasional harsh winters, which help keep deer populations in check.</p> |
| <p>Disposition as a result of this audit: Closed</p> |

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| CAR 2005.6 | Reference: <i>FSC Criterion/Indicators 6.4(a) and 6.4(b)</i> |
| <p>By the 2007 surveillance audit, DNR must complete a gap analysis to identify state-wide needs for samples of representative ecosystems, and determine through an interdisciplinary approach what, if any, opportunities there may be to meet some of these needs on DNR-administered forestland. Between now and 2007, if there arise known opportunities on DNR-administered forestlands to contribute to SNA goals, DNR needs to begin the process to re-establish active designations. That is, DNR must not wait until the gap analysis is complete to begin contributing.</p> | |
| Action Taken By Company (Certificate Holder Response) | |
| <p>DNR will provide their full response to this CAR at the 2007 surveillance audit. Over the last year, DNR has taken some actions that improve conformance with this Criterion. See discussion below.</p> | |
| SCS Observations and Findings | |
| <p>Although no new SNA's were designated, in Feb. 2006 three primary red/white pine stands on DNR-administered land near Ely, MN were set-aside as protected old growth. In SE Minnesota three stands in the Pine-Hemmingway Creek area (126 acres) were designated as reserves. Additionally, DNR hired a forest planner position to coordinate the lowland-conifer old-growth evaluation. This CAR comes due at the 2007 surveillance audit, and will be investigated at that time. Designation of ecologically significant lowland conifer will certainly help meet representative sample needs. Also see discussion under Criterion 6.4.</p> | |
| <p>Disposition as a result of this audit: CAR not due until 2007. Continued</p> | |

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| CAR 2005.8 | Reference: <i>FSC Criterion/Indicator 6.9.d</i> |
| <p>By the 2006 surveillance audit, DNR needs to develop and implement a strategy to identify areas of greatest concern with respect to invasive exotic species and then implement control mechanisms. Control mechanisms include removing or spraying existing exotics (where feasible) and lessening risk of introducing species to new areas (e.g., from ATV's, logging equipment, and other sources)</p> | |
| Action Taken By Company (Certificate Holder Response) | |

DNR Response:

October 2006²:

“The Department’s vision for natural resource management as identified in A Strategic Conservation Agenda 2003-2007 identifies a “Natural Lands Conservation Indicator” as the “number of DNR land management units mapped for terrestrial invasive plants; acres of control efforts.” Currently 30% of state parks, recreation areas, waysides, and state trails have been mapped for terrestrial invasive plant species. Ten percent of wildlife management acres have also been formally mapped for terrestrial invasive plant species. No state forestlands, which make up the bulk of state administered lands, have been formally mapped for terrestrial invasive plant species.

Mapping leads to control. The Division of Parks and Recreation conducts an average of 160 invasive plant control projects annually affecting about 4,320 acres. The Division of Wildlife treats annually an average of 6,900 acres for controlling exotic invasive plant species. Wildlife’s priorities are (1) high quality native plant communities (primarily prairies), and (2) addressing legal requirements (primarily Canada thistle in agricultural areas). Forestry does control buckthorn on regeneration sites in the Southern Region when buckthorn is deemed a problem. There is no systematic attempt to control buckthorn, but buckthorn control on forestry-administered lands is based on individual site evaluations.

The Department has identified the areas of greatest concern for invasive species. Those areas are aquatic systems and imperiled native plant communities (mostly prairies and fens). There is a growing recognition that invasive species put at risk all DNR lands, and attention is now being focused on addressing invasive species threat and management on all DNR lands.

Action

A department group representing those Divisions, which directly manage resources and land was formed to begin developing a department approach to managing invasive species. See file “terrestrial invasive memo 060714.pdf.”

The initial meeting was held on July 27, 2006.

Initial discussion revolved around developing an Operational Order (Op Order) to reduce the spread and impact of invasive species by DNR resource management activities. Operational Orders establish Department policies and procedures affecting all Divisions. The scope of the Op Order would include all DNR activities that relate to movement of terrestrial and aquatic invasive species. The concept is to use existing Op Orders (e.g., Op Order 59 on Pesticide Use) as models for creating a framework of department-wide standards that are implemented by

² In the first draft of this 2006 surveillance report, CAR 2005.8 was elevated to a Major CAR because DNR’s evidence on requesting additional funds for invasive control work was not available to SCS. Additionally, between the time of the field audit and preparing the draft report, DNR made considerable progress on the Operational Order. Upon review of the additional information SCS determined that enough progress had been made on CAR 2005.8 to close it, and include the remaining element in a new minor CAR.

individual operating units through “discipline guidelines.”

The group also discussed developing best management practices (BMPs) for invasive species. Two models that will be examined were a BMP document developed by the Division of Parks and a BMP document from the state of Wisconsin. It is likely that the Op Order will identify the need to develop BMPs and the BMPs will grow out of the Op Order. Priority is to develop the Op Order.

However, the team does recognize that harvested areas, state forest roads, and ATV trails have a high potential for being pathways for invasive terrestrial plant introductions. The team will also discuss whether there are additional approaches that can and need to be implemented to address these high-risk pathways prior to Op Order and BMP development.

The next planned step will be to introduce the team to the issues related to invasive species, clarify the scope of the Op Order, discuss process and timeline the team will use to develop the Op Order, and discuss high-risk pathways and BMPs.

Additional Opportunities

The Division of Ecological Services - Invasive Species Program is requesting proposals for projects related to the management of terrestrial invasive plant species on state managed lands. Up to \$100,000 in additional funding will be available to DNR land managers from September 2006 to June 30, 2007. The funding is meant to allow managers to add or start new invasive species projects or expand on existing projects. Eligible project activities include: 1) invasive plant surveys, and 2) planning and implementation of invasive plant management efforts. In FY06 there were 20 projects totaling \$250,000.

In the fall of 2005 two, one-day workshops, “Invasive Plants of Minnesota’s Forests” were offered to foresters and loggers. Workshop highlights included:

- > Developing basic “four-season” identification skills and understand the life history of each species, especially as it pertains to eradication and control methods.*
- > Learning to distinguish between non-native (exotic) invasive species and “native but sometimes nuisance” species such as Prickly Ash, Sumac, Alder, Willow, Hazel, etc.*
- > Developing an ability to assess a site and determine appropriate management practices: What is realistic? Who will pay for it? Who is responsible?*
- > Helping to shape future invasives policy in Minnesota by giving input as to what are realistic, efficient, and affordable approaches that can be adopted by foresters and loggers.*

Additional funding was received to again conduct this workshop and repeat it often enough to accommodate a greater number of foresters and loggers. This will be a priority workshop for Division of Forestry personnel to attend.”

Update January 2007:

The Minnesota Department of Natural Resources, in response to the draft FSC surveillance audit report

prepared by Scientific Certification Systems, submits this document to provide information that was either not available last fall or was at that time confidential. Minnesota DNR is aware of the potentially devastating impacts of terrestrial invasive species on forested ecosystems, and is actively engaged in efforts to limit their spread.

DNR Invasive Species Program

Jay Rendall, Coordinator jay.rendall@dnr.state.mn.us

Program Purpose Curb the spread and minimize harmful effects of nonnative species that can naturalize in Minnesota and either: cause displacement of, or otherwise threaten, native species in their natural communities; or threaten natural resources or their use in the state.

Program Goals

- Prevent introductions of new invasive species into Minnesota.
- Prevent the spread of invasive species within Minnesota.
- Reduce the impacts caused by invasive species to Minnesota's ecology, society, and economy.

Responsibilities

- Preparing a long-term plan for the statewide management of invasive species of aquatic plants and wild animals, coordinating efforts within the state, and establishing priorities for prevention, management, and research. Management plans for individual species are also prepared.
- Designating and identifying infested waters. Water bodies are designated infested if they contain invasive species that could spread to other waters if activities are not regulated, and where the risk of spread to an uninfested waterbody through such activities is high.
- Adopting rules which place nonnative species into various regulatory classifications: prohibited nonnative species, regulated invasive species, unregulated nonnative species, and unlisted exotic species.
- Inspecting boats at public water accesses; primarily on infested waters. The program hires a crew of seasonal watercraft inspectors each year to educate boaters about aquatic invasive species.
- Identifying potentially invasive species, predicting their spread, and developing and implementing solutions. The Invasive Species Program continues to participate in many prevention efforts.
- Preparing an annual report each year to submit to the state legislature. Details of the program responsibilities are described in this report. A summary report is also made available.

Significant web resources are dedicated to providing invasive species information and outreach to the general public and stakeholder organizations. Web address:

<http://www.dnr.state.mn.us/invasives/index.html>

Funding

- Funding for invasive species activities is derived primarily from the surcharge on

watercraft licenses. The surcharge for a three year license period is \$5, or \$1.67 per year. The programs budget is about \$1,500,000 annually. Additional appropriations, primarily for specific research efforts, have come from the Environment and Natural Resources Trust Fund and Minnesota Future Resources Fund. Federal grants are also sought to help fund program efforts.

- In the governor's proposed FY 2008-09 budget, DNR aquatic and terrestrial invasive species work is getting a significant boost with an initiative that increases the surcharge on boats, establishes a new surcharge for non-resident fishing licenses, and establishes a new surcharge for trailers and RVs. Revenue from these funds will be used to increase our efforts on invasive species by \$2,450,000 in the second year of the biennium.

The annual report detailing DNR efforts at control for all invasives can be found on the web at: http://files.dnr.state.mn.us/ecological_services/invasives/annualreport.pdf

SCS Observations and Findings

DNR addressed the first part of this CAR (developing a strategy) through the formation of a working group that has met on six occasions since July 2006, drafting of an Operational Order that details DNR procedures for controlling invasives, and the plan to develop BMPs for invasives. The Operational Order:

- *“Mandates that each discipline, i.e., forestry, wildlife, trails and water ways, ecological services, parks, fisheries, etc, develop discipline guidelines that “contain procedures specific to each discipline, and necessary to implement this operation order.” the discipline guidelines will be how each discipline addresses the spirit and intent of the operational order in their daily operations.*
- *Develops “standard operating procedures for invasive species prevention and site planning and management were identified. It is these standard procedures that will have to be addressed by each discipline in their discipline guidelines.*
- *Creates a department “oversight” group which will ensure that the discipline guidelines are developed, the discipline guidelines addresses the standard operating procedures, and monitor the effectiveness of the discipline guidelines.*
- *Develops a list of invasive species for which the, which the operational order addresses.*
- *Will serve as the “action plan” for BMPs, assessment, and control work for high priority species”*

Additionally, the State of MN biennial budget includes a request of \$350,000 per year to address invasive species on DNR-administered forest lands. If awarded, this funding will establish a terrestrial invasive species program within the DNR Division of Forestry to:

- Inventory high risk areas for invasive plant species; (\$100,000 to inventory 1,000 acres of high risk DNR forest lands)
- Control invasive terrestrial plants, insects, and diseases on forestry administered lands (\$175,000 to control invasive plant species, such as buckthorn, on 150 acres of DNR forest land).

- Hire a Division of Forestry invasive species specialist to coordinate and oversee inventory and control efforts; design and implement a division invasive terrestrial plant education program for division employees, and integrate terrestrial invasive species efforts into the on-going invasive insect and disease efforts to develop a comprehensive approach to invasive species on forestry administered lands. (\$75,000)

Although considerable work has been done on developing the strategy and requesting funds, implementation has not occurred. The Operational Order for DNR staff is not scheduled to be implemented until May 1, 2008. SCS has the following other key concerns regarding the threat of invasives relative to the current state of DNR’s program to control invasives:

- DNR’s initial framework proposes essentially no concrete actions for addressing the OHV pathway of invasives. This is of significant concern considering the popular and growing use of OHV’s on state forests, and the widespread dispersed use allowed within the managed classification
- DNR has yet to provide details regarding the content and timeline for implementation of invasive species BMPs.
- No state forestlands have been formally mapped for terrestrial invasive plant species.
- The Strategic Conservation Agenda fails to identify that there is essentially no control work or preventative measures being taken on the state forests that account for the majority of DNR administered lands, and instead only mentions mapping and control activities on State Parks, SNAs, and WMAs. This omission misses an opportunity to communicate to the public the scale of the problem/threat.

Considering the pending funding request, significant progress made to-date, and lack of attention to the OHV pathway, SCS replaces CAR 2005.8 with minor CAR 2006.5.

Disposition as a result of this audit: Closed- replaced with CAR 2006.5

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| CAR 2005.9 | Reference: <i>FSC Criterion/Indicator 7.1(b)6</i> |
| DNR must complete and implement all of the Subsection Forest Resource Management Plans, ECS/NPC for the Eastern Broadleaf Forest, and Silvicultural Guidelines to use with ECS/NPC within 2-years of award of certification. | |
| Action Taken By Company (Certificate Holder Response) | |
| <p>The following DNR responses are relevant to this CAR.</p> <p>“SFRMP <i>The Department believes that the majority of the remaining SFRMP plans can be completed on time because of streamlined planning techniques learned from the initial plans, the consultation and recommendations provided by the SFRMP Process Group, the addition of new planning and ecological staff to the Department, and the relatively modest amount of overall staff time taken to complete the plans. However, stakeholder concerns, which the Department is addressing, may slow the planning process on the last two SFRMP plans. The Department may adopt a new</i></p> | |

modeling system to meet these new challenges. New processes may cause a delay for the remaining plans.

Strategies:

Each Division is allocating time to the SFRMP process. The Department sees the value in completing these plans and has made adjustments to allocate staff time to write, review, and complete the plans. Listed below are the resources allocated to the SFRMP process for each of the Divisions.

ECS

Concern: *The final focus area is on 1) training needed so that DNR staff can use land management tools and import data into the inventory systems: and 2) timely completion of inventory projects. The analysis concentrated on the training needed so that staff can use the Ecological Classification System (ECS) and FORIST. FORIST is the overarching software umbrella that the Silviculture and Roads Module (SRM), Forest Inventory Module (FIM), and the Timber Sales Module (TSM) reside under.*

Strategies:

- 1. The Division of Forestry is planning to hire ten to twelve ECS interns next summer to evaluate and categorize lands for the Department. These interns will complete work that foresters would otherwise be doing, thus freeing up their time to work on timber sales, forest planning efforts, and other forest management activities.*
- 2. Most DNR field personnel within the Divisions of Forestry, Fish & Wildlife, and Ecological Services have taken ECS training. Newly hired foresters go through a weeklong ECS training program within their first year of employment. Introduction to ECS training is required for all Division of Fish & Wildlife staff. Training is essential to understand the Native Plant communities of Minnesota field guides and, ultimately, to implement forest management activities that are supported by ECS determinations. ECS training and implementation enables foresters, wildlife managers, and ecologists to make informed management decisions. Informed forest management decisions lead to a more productive forest.*

For example, in years past the Department would plant pine plantations on lands that were better suited to be hardwood forests. The Department would spend time and money trying to get pine to grow on non-pine sites. In many cases, the pine never did thrive and the hardwoods eventually took over the stand. An ECS evaluation would have indicated to the resource manager that hardwoods, and not pine, were the correct species for the site. Potentially, time and money would have been saved had the manager had access to ECS.”

SCS Observations and Findings

The audit team observed good progress on implementation of ECS. Additionally, the first

silvicultural guideline was developed. As described under SCS Findings for CAR 2005.3 and 2005.10 progress on SFRMP's is lagging. At the time of preparing this draft report (Dec 2006), the DNR website displayed an out-of-date SFRMP completion timeline.

Disposition as a result of this audit: Kept Open. Per the original timeline of this CAR, it is not due until January 1, 2008.

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| CAR 2005.10 | Reference: FSC Criteria 7.1 and 7.3 |
| <p>Upon implementation of each SFRMP, the DNR needs to set specific targets for how much each administrative area intends to move toward the DFC. Targets should be set under the premise that each area contributes an appropriate share measured by acreage or other metrics defined by MFRC landscape plans. The "appropriate share" should be determined by analysis that considers how potential to meet DFCs varies across administrative boundaries (e.g., potential for increasing upland conifer forest may vary substantially across administrative areas).</p> | |
| Action Taken By Company (Certificate Holder Response) | |
| <p>At the October 2006 field audit DNR provided no response to this CAR. A response was provided in January 2007- which is now appended below in Major CAR 2006.6,</p> | |
| SCS Observations and Findings | |
| <p>The audit team interprets implementation of each SFRMP to occur at the point stands are selected for management based on the SFRMP process. At the time of the 2006 audit, Border Lakes, Mille Lacs Uplands, Agassiz Lowlands, and the North Shore subsections were operating under stand selections lists generated through the SFRMP process. To our knowledge only the North Shore plan had set specific targets for how much each administrative area intended to move toward the DFC conversion goals. During the audit, some DNR field staff expressed frustration with the lack of a measurable way to determine if and how well an administrative area's treatments would contribute to subsection goals. Other communications with DNR field staff confirmed the possibility that without communication and targets every administrative area in a subsection could be incorrectly assuming that the SFRMP goals would be accomplished by one or more of the other areas. Since, this minor CAR was not addressed, it is elevated to Major CAR 2006.6.</p> | |
| Disposition as a result of this audit: Elevated to a Major CAR- See Major CAR 2006.6 | |

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| CAR 2005.11 | Reference: Criterion 7.3 |
| <p>By the 2006 surveillance audit, DNR needs to:</p> <ul style="list-style-type: none"> • Complete a programmatic assessment of the effectiveness of current training programs/protocols at providing the necessary skills to implement the revised Site Level Guidelines, ECS- and related silvicultural guidelines, SFRMPs, and protection of rare/unique plant communities including old growth and old forest management complexes. | |

- If necessary, develop and implement new programs to ensure training is commensurate with the forest policy and direction that DNR has set forth
- Implement a system to track and monitor training needs and accomplishments at the area and/or individual resource manager level

Note: “training” does not require formal classes/workshops in every instance; in some cases improving content and distribution of written training material may suffice.

Action Taken By Company (Certificate Holder Response)

Summary of DNR Response

Minnesota DNR completed an assessment of the adequacy of current training programs and protocols to achieve the natural resource management outcomes desired by the Divisions of Forestry, Fish & Wildlife, and Ecological Services. The following excerpts are key conclusions from this assessment:

“Programmatic Assessment

Background Information

The Department continually analyzes its training needs and constantly looks for opportunities to improve its training program. For example, the Division of Forestry, with over 360 full time employees, has a system that sets training requirements for specific jobs, records completed trainings, and aids professional development. Dave Schipper, Human Resource Development Supervisor, maintains this training system.

Division of Forestry jobs have a mandatory training list. For example, the required training for a Forestry Specialist is:

Entry Level Professional For. Dev. Program (mobility assignments & training)

- *Basic Fire Fighter S-130 / Fire Behavior S-190 /*
- *NRFO S-130 / NRFO S-190*
- *Introduction to ICS I-100 / NRFO I-100*
- *Timber Appraisal & Sales Design WS / NRFOTIMAPRSL*
- *Ecological Site Class Program Intro and Application / NRFOECSIA*
- *Land Line / Corner Relocation / NRFOCORNER*
- *Scaling School / NRFO SCALING*
- *DIV: Resource Assessment Training / NRFOREASSES*
- *Emergency Vehicle Operation / NRFO EVOC*
- *Forestry Cooperative Forestry Program Introduction / NRFOCOOPINT*
- *Forestry Enforcement Introduction / NRFONROINTR*
- *Department Mandatory Safety Training*
- *Basic Health and Safety*
- *Blood Born Pathogens*
- *Employee Right-To-Know Initial*

- *ATV Safety*
- *Snowmobile Safety*
- *Chainsaw Safety*
- *Dept: First Aid & CPR*
- *Defensive Driving*

It's the Division of Forestry's policy to dedicate 4% of its operating resources to training and development each year. That equals approximately 80 hours of development activities plus the cost of travel for each of its staff.

Mr. Schipper gathers training needs from the Division Management Team (DMT), the various Forestry Sections (Resource Protection, Resource Management, etc.), DNR Human Resources, the Forest Resource Issues Team (FRIT), and Division of Forestry staff. He then uses these requests to develop the coming years training plan.

Mr. Schipper encourages Department staff to suggest needed training. For example, FSC CAR 2005.2 has put into motion a new training series on tribal relations. Mr. Schipper's reaction to including this new training into the schedule was positive and he requested that this session be a part of the new foresters introduction to the Department.

In addition to gathering training needs from internal staff, the Department continually self assesses its training programs by reviewing data gathered as it monitors its forest management. Current Assessment Programs

Timber Sale Inspections

Timber sale inspections are used to determine, among other things, if the training program is keeping Department foresters and wildlife managers up-to-date with current accepted natural resource management practices. Tom Baumann, Resource Management Section Manager, annually collects over 200 timber sale inspections. The inspections are used to identify forest management trends such as the number of sales that occur completely or partially in the riparian zone, slash treatment management, and the level of adherence to the site level guidelines. Mr. Baumann's been tracking the outcomes of the inspections for three years.

Mr. Baumann uses the results from the analysis of the inspections to inform Department staff about the health of the timber sales program. Mr. Baumann meets with each Region's timber sales program foresters twice a year to discuss the timber sales program. He uses the inspections to highlight the trends of the Department's forest management. He also uses the same data at the biannual timber sales meeting. The timber sales inspection analysis, for example, has been used to highlight areas of the Departments forest management that could be improved, instruct staff to spend more time administering timber permits, and to review new or forgotten policies.

Forest Certification Auditing

The initiation of forest certification auditing of the Department's forest management practices has provided a new method to gauge the value of the DNR's training program. Annual FSC and

SFI audits have already highlighted indicators and criteria that the Department isn't satisfactorily meeting. Drafting a new policy, making sure that current procedures are being implemented, or requiring additional training can resolve the identified shortcomings. For example, the Site Level Guidelines green tree retention guideline was identified in the 2005 FSC and SFI assessment as an area of the DNR's forest management that could be improved. The DNR responded by incorporating short training sessions to Department staff at Regional and Area meetings.

Citizen Concerns Monitoring Program

The Minnesota Forest Resources Council (MFRC) timber sales monitoring program has provided the Department clues on the health of its training program. The Department uses the findings of the MFRC monitoring program to guide future needs of the timber sales and silvicultural programs.

The MFRC has developed a third-party investigation program where citizens can call a 1-800 phone number to register their forest management concerns. The system is called the Citizen Concerns Monitoring Program. MFRC logs the concern and responds by investigating the activity to determine if the forest management activity is, for example, meeting the site level guidelines, the permit requirements, and other regulatory requirements. The citizen, permit holder, and land manager each get a report on the findings of the independent assessment. Citizen Concerns website: (<http://www.frc.state.mn.us/monitor/PCRP.htm>)

Future Assessment Programs

SFRMP Monitoring Program

To quote Cynthia Osmundson's, forest planner, SFRMP monitoring document, "Monitoring involves a comparison between the conditions your actions have affected and some defined benchmark (e.g. current conditions or a target). In this effort, most monitoring questions will be addressed by comparing forest vegetation conditions (intended and actual) prior to implementation of SFRMP management actions to vegetation conditions after implementation. We will also compare management actions to the management intent outlined in the plans.

Implementation Monitoring: determines whether the management actions are being implemented as written in the plans.

Are management actions being carried out in a manner that is consistent with the plan?

Effectiveness Monitoring: determines the appropriateness or effectiveness of specific management actions designed and implemented to accomplish an objective

Are management actions having the desired on-the-ground effect?

Monitoring questions and indicators have been identified for both implementation and effectiveness monitoring (Table 1). Indicators are a particular unit of information that, when measured over time, documents changes in a specific condition referenced in the monitoring question.”

Much like the timber sales inspections, the Department hopes to use the results of the SFRMP monitoring to highlight the positive aspects of its forest management and identify improvement opportunities. Forest management actions that do not have the desired on-the-ground effect need to be inspected. Are the unintended effects because of poor land management actions/plans or do the unintended effects stem from good intending foresters who are carrying out the plan improperly? Improper implementation of an action or plan could be the result of a lack of or forgotten training. SFRMP monitoring may provide the DNR clues of where to focus future training efforts.

Internal Auditing

Another method of evaluating the DNR’s training system will be the DNR’s annual internal auditing program. Though in its infancy, its expected that the internal audit team, as they audit the DNR forest management, will identify areas of the DNR’s resource management that needs improvement. Joanne Petrini trained the first class of internal auditors in September 2006. Internal auditing will commence in calendar year 2007. Areas of forest management that are lacking by some measure may be doing so because of a lack of or a need for additional training. The DNR is investing heavily in internal auditing with hopes of 1) reducing the number or severity of corrective action requests it may receive from its FSC and SFI auditors, 2) identifying forest management areas where additional training could assist the DNR’s performance, and 3) increased understanding of forest certification by its staff.

Relevant Training Sessions

SFRMP Training- Assessment of Effectiveness of Current Efforts

Current Efforts

SFRMP “kick-off” sessions are held at the start of each SFRMP for core team members and other staff in the affected Areas. These sessions provide the opportunity to learn about the SFRMP process, content, timelines, and roles/responsibilities. Department leadership also communicates their expectations about staff participation in and the importance of the process.

Effectiveness: this is fairly effective in exposing staff to the process that lays ahead. But, of course, does not cover the management direction that is yet to be developed for the subsection.

Formal SFRMP training sessions or more informal meetings with affected field staff have been conducted for some subsections once the strategic direction is ready for implementation.

Effectiveness: these sessions are very effective in getting all field staff working in a subsection exposed to the management direction contained in SFRMPs and provide the opportunity for staff to ask questions to SFRMP core team members. The more formal sessions provide greater ability to assure all necessary staff attend, and that a clear and consistent package of information and expectations is communicated. Since such training sessions have not been done for all SFRMPs prepared to date, effectiveness has been limited/partial.

Future Efforts

All of the above efforts will be continued and staff will seek to improve their effectiveness in communicating SFRMP management direction, even as it develops, to other field staff.

Training sessions will be held for all SFRMPs for which the strategic direction is ready for implementation (i.e., this may be before the plan is completely done). These are full day sessions (2-3 sessions for each subsection) that provide a brief overview of SFRMP; review key strategies, DFFCs and cover type management recommendations from the plan; discuss several case examples; and discuss tracking and monitoring of SFRMP implementation.

Tracking Training Needs/Accomplishments

The department has a system for tracking training needs (i.e., Individual Annual Training and Development Plans) and training attended (individual training records for each employee). Forestry currently develops and annual Training Schedule that identifies and assigns course numbers to upcoming training opportunities. SFRMP training sessions are assigned a course number that staff use to sign-up for the sessions and enter into their individual training records once the session is completed.

Ecological Classification System Training

All Department field personnel in the Divisions of Forestry, Fish & Wildlife, and Ecological Services have taken Ecological Classification System (ECS) training. The ECS designation process enables the resource manager to identify the native plant community that he or she is working in and guides them to proper management. New foresters are going through a weeklong ECS training program within their first year of employment. ECS training is essential to understand and use the Field Guide to the Native Plant Communities of Minnesota and, ultimately, to implement ECS and SFRMP approved management activities. The SFRMP process identifies the rare plant communities.

ECS determinations are not yet mandatory for all forest management actions. However, come January 1, 2008, an ECS determination needs to be completed before any forest management can be initiated. Silvicultural interpretations for each of the ECS native plant communities will be written. The first ten interpretations will be reviewed by the Department early this winter.

Site Level Guideline Training

Since 1990, nearly all foresters and many wildlife managers have taken either the Best Management Practices, Site Level Guideline and/or the revised site level guideline training. The effectiveness of the training is confirmed through the timber sale inspection program and by the number of concerns logged with the Minnesota Forest Resources Council's Citizen Concerns Monitoring.

Needs

Based upon the assessment of the current training program, current and future assessment programs, and linkages between them, the following is a list of action items that the DNR is considering implementing:

- *The Division of Fish & Wildlife currently records some, but not all, completed training by employee in the state Department of Employee Relations supported Training Administration System within SEMA4. Other completed training, such as fire training, is tracked in different systems.*

The Division will work to incorporate all employee training records into the SEMA4 system. In order to accomplish this, the Division will assign a lead worker who will be "authorized" to enter approved training opportunities into the system, and who will also train appropriate staff on how to enter completed training into the system.

- *Improved mechanism to link monitoring findings to training needs. FRIT will review and develop a method to link findings to needs.*
- *Continued use of the annual training plan that's used by supervisors and employees as they plan the coming years training needs.*
- *Improved system to track and incorporate results of Minnesota Forest Resources Council Citizen Monitoring findings into DNR forest management."*

SCS Observations and Findings

DNR completed a thorough analysis of training resources and needs. As described in the above response, adequate training opportunities and monitoring and feedback systems for identifying training needs are in-place. DNR did identify some gaps through this analysis, and the most important of these is to more effectively link monitoring findings to training needs.

In general, DNR has demonstrated sufficient attention and resources to training. With the

exception of gaps in training for implementation of SFRMP, SCS did not observe any other significant training lapses. Thus, the audit team concludes that closure of this CAR is warranted but with the issuance of follow-up Recommendation 2006.1 to strongly encourage DNR to continue to improve training by more effectively linking monitoring finding to training needs.

Disposition as a result of this audit: Closed. See Recommendation 2006.1

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| CAR 2005.12 | Reference: <i>FSC Criteria 8.1 and 8.2.</i> |
| <p>By the 2007 surveillance audit, DNR needs to review their current monitoring protocols and determine what, if any, additional monitoring aspects are needed to more fully demonstrate conformance with Criterion 8.2, and that, more importantly, is needed to track specific accomplishments during the 10-year SFRMP timeframe:</p> <p>For example:</p> <ul style="list-style-type: none"> • what changes, if any, to the FORIST information system (Forest Inventory Module and Silviculture and Roads Module) will be made to accommodate the need for efficient monitoring of SFRMP goals and objectives. • frequency of monitoring appropriate for certain objectives. • where the data will be located that will be used to measure success or progress identification of individuals responsible for monitoring and ensuring accountability. | |
| Action Taken By Company (Certificate Holder Response) | |
| None | |
| SCS Observations and Findings | |
| CAR is not due until 2007 | |
| Disposition as a result of this audit: Kept Open | |

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| CAR 2005.13 | Reference: <i>FSC Criteria 8.2 and 8.5.</i> |
| <p>By the 2006 surveillance audit, an augment to the strategic conservation agenda (or a separate summary document) must be developed to ensure the summary covers all elements of Criterion 8.2, notably key local social issues.</p> | |
| Action Taken By Company (Certificate Holder Response) | |

DNR Response

“Work Plan For Summarizing the Monitoring of Key Socio-Economic Issues DRAFT

DNR will build on the following studies, reports, and initiatives critical to forest socio-economic issues and incorporate summary results into its annually updated Strategic Conservation Agenda.

- ✓ ***Hunter Satisfaction:*** *DNR is committed to providing high-quality recreation experiences associated with wildlife. Hunting is an important component of Minnesota’s outdoor heritage. DNR tracks hunter satisfaction through periodic surveys.*

Action: *DNR will continue to monitor hunting satisfaction. Survey results will be used to modify hunting programs within biological limits to improve satisfaction. Indicators and targets for “hunter satisfaction” are incorporated into the annually updated Strategic Conservation Agenda.*

- ✓ ***Foot Hills State Forest Area Study:*** *This pilot study has developed methods to document the type and quantity of recreation activity in the forest as well as the experiences and opinions of visitors to the area. The study uses a public-entry site visitor survey and an adjacent private-land owner survey.*

Action: *DNR will explore means to refine and expand this research methodology to other state forests. DNR will develop a new indicator and targets for its Strategic Conservation Agenda, 2007 update to effectively monitor the number of recreation use studies in Minnesota state forests and summarize the information about recreation in and user satisfaction of state forests.*

- ✓ ***Minnesota’s Forest Resources:*** *This report compiled annually by Forestry Division of Utilization & Marketing staff has information on forest resource industrial use and economics.*

Action: *DNR will provide annual report updates and incorporate statistics on forest economic impact and forest industry jobs into the annually updated Strategic Conservation Agenda’s indicator on DNR Timber Sales. The “Minnesota’s Forest Resources” report is currently being updated with wood industry economic impact information. Anticipated completion date for the report is 11-15-06.”*

SCS Observations and Findings

SCS verified that the above actions have occurred. Thus this CAR can be closed. As part of the 2007 surveillance audit, SCS will review the latest Strategic Conservation Agenda to verify that the planned updates to this document did occur.

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| Disposition as a result of this audit: Closed |
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| CAR 2005.14 | Reference: <i>FSC Criteria/Indicator 9.1(a), 9.3(d) and 9.4(b)</i> |
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By the 2006 surveillance audit, DNR must complete the following actions with regard to the identification, management, and monitoring of areas meeting the FSC’s definition of “high conservation value forests” as further guided by the FSC Lake States Regional Standard and the FSC Canada’s High Conservation Value Forest National Framework- Appendix 5 in National Boreal Standard*:

- a) Assess how well DNR’s current special management and protected areas (e.g., old growth, old forest management complexes, biodiversity significance sites, natural heritage sites, SNAs, archaeological/cultural sites, etc) cover HCVF types and categories.
- b) Designate any new HCVF areas that result from gaps identified in item a).
- c) Establish/clarify the processes by which members of the public are consulted regarding HCVF and how the public can make nominations to HCVF.
- d) As needed, develop and implement additional guidelines for appropriate management of HCVF. (Note: designation as HCVF does not prohibit management.)
- e) DNR must implement additional procedures ensuring that a heightened level of precaution is afforded to management actions occurring with HCVF. Specifically, decisions involving management actions within ecologically significant HCVF (HCVF Types A or B) must have the support of Ecological Services and Wildlife, or undergo an outside expert peer review that shows the proposed actions will not significantly degrade the associated high conservation values.
- f) Find cost-effective ways to develop and implement monitoring protocols to assess the effectiveness of DNR’s maintenance of HCVF. (Note: this does not necessary involve in-depth complex scientific research.)
- g) Document and revise as needed procedures for assuring coordination with other ownerships possessing HCVF areas within the landscape.

*HCVF National Framework is based on the HCVF Tool Kit, but Appendix 5 provides a clearer approach; either document is acceptable.

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| Action Taken By Company (Certificate Holder Response) |
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MN DNR Response:

“CAR Task A: Assessment/Identification

Our coarse-scaled analysis (Table 1) resulted in four major findings:

- 1) *All identified High Conservation Values (HCVs) are covered (either directly or indirectly) with existing DNR special management areas and policies, but the degree of coverage varies by HCV category.*
- 2) *HCV categories 1-3 (Biodiversity Emphasis) are covered most thoroughly, and HCVs 4-6*

are not covered as well (Ecosystem Service and Social/Cultural emphasis).

- 3) The special management areas with the lowest levels of policy development are also those that cover the greatest land area and generally allow timber harvesting.
- 4) The greatest gap in protecting social-cultural values (HCV categories 5-6) is in consulting with Native American tribes to identify high conservation values of interest to them.

A detailed analysis used 26 proposed Minnesota HCVs within HCV categories 1-6 (see Table 3) and resulted in four major findings:

- 1) Sites of High and Outstanding Biodiversity Significance (identified by the Minnesota County Biological Survey) are a fundamental tool for maintaining and enhancing HCV categories 1-3. These MCBS sites collectively cover 15 of the 18 identified values proposed in HCV category 1-3.
- 2) DNR's Old-growth Forest Network provides strong coverage of the old-growth forest HCV, except for lowland conifers for which the selection and designation process is being planned. Old Forest Management Complexes (OFMCs) contribute to the ecological integrity of old-growth forests.
- 3) Policies and guidelines for conserving natural heritage elements, wetlands, Scientific and Natural Areas, Natural Area Registry Sites, and state forest lands within the Boundary Waters Canoe Area Wilderness collectively provide additional coverage of HCV categories 1-3.
- 4) State forest lands and wildlife management areas are likely critical to the cultural identity and livelihoods of many local communities. The specific values covered by portions of these lands must be determined in consultation with Native American tribes and local communities.

CAR Task B: Designation: The assessment process resulted in proposed HCVF designation status for each special management area (Table 1). The recommendations included designating all lands in a particular DNR management area type (e.g., designated old-growth stands) as HCVF or designating some areas through an interdisciplinary process. These are recommendations from the HCVF workgroup — formal HCVF designation or designation processes will be determined by the Division Directors through the Forest Resources Issues Team (FRIT)

Documentation of recent DNR actions: New designations: In February 2006, three primary red/white pine stands on DNR-administered lands near Ely, MN were designated as protected old-growth forest.

Evaluation and designation processes: DNR has made substantial progress on evaluation & designation processes that will contribute to HCVF decision making. DNR hired a forest planner position to coordinate lowland-conifer old-growth evaluation and designation as well as the implementation of old forest management complexes. Over the past year, Minnesota County Biological Survey (MCBS) staff conducted field evaluations in several counties and ecological subsections. Identification of sites of high and outstanding biodiversity significance is ongoing. In addition, the High Conservation Value Forest Workgroup identified several strategies to

address gaps in the HCV categories of ecosystem services and social-cultural areas.

CAR Task C: Consultation

The DNR currently provides numerous opportunities for the public to consult on state forest management. It will use these forums to present information on HCVF designations and policy as appropriate, and will also post information on its website. DNR will post on its website procedures for the public to nominate HCVFs, following department approval of HCVF definitions and criteria.

CAR Task D: Management Guidelines

“As needed, develop and implement additional guidelines for appropriate management of HCVF. (Note: designation as HCVF does not prohibit management.)”

In addition to new designations and advancement of evaluation and designation processes, DNR has recently clarified policies relevant to management of HCVF.

- *Nominating new old-growth candidate stands.—Wildlife, Ecological Services, and Forestry Division Directors recently approved revisions to an amendment to the Old-growth Forest Guideline that outlines procedures for nominating new old growth candidate stands.*
- *Primary old-growth.—The amendment described above also clarifies that primary old-growth stands will be included in the old-growth network (if they meet OG age and structure criteria). Clarification is provided in a February 21, 2006 memo from the Assistant Commissioner of Operations..*
- *Management of Sites of Outstanding Biodiversity Significance in SE Minnesota.— A recent memo from the Assistant Commissioner of Operations clarified management direction for three Sites of Outstanding Biodiversity Significance in SE Minnesota: three stands (126 acres) will not be harvested and instead be placed in reserve status.*

The HCVF workgroup will submit recommendations to the DNR’s Forest Resources Issues Team (FRIT) regarding highest priority issues needing more policy guidance. Relevant Division Directors and the Commissioners Office will then determine appropriate policies and/or policy development processes. Further guidance is needed on (listed in the order of priority):

1. *Identification and management of MCBS sites of high and outstanding biodiversity significance.*
2. *Identification and management of lowland conifer old growth.*
3. *Identification and management of Old Forest Management Complexes.*

DNR is co-leading in a multi-owner, landscape scale ecological silviculture project aimed at integrating timber production and high conservation values in the Manitou Landscape near Finland, Minnesota. The project is testing tools for managing high conservation value forests, and lessons learned will be applied to other areas.

CAR Task E: Heightened Precaution & Interdisciplinary Decision-making

Note: CAR added on August 14, 2006

DNR has developed a heightened level of precaution regarding management actions within potential HCVFs in the following specific ways:

New Interdisciplinary Team established to address High Conservation Value Forests: DNR established an interdisciplinary HCVF workgroup comprised of staff from the divisions of Fish and Wildlife; Forestry; and Ecological Services; and the Office of Management and Budget Services. The team is developing a systematic approach to identify, conserve, and monitor high conservation values. This report documents significant progress toward this end of implementing a HCVF policy with accountability mechanisms and may serve as a model for others.

Commissioner's Office Recent Policy Decisions regarding HCVF Management: DNR decisions on forest biodiversity issues at the Burntside Lake old-growth forest sites in northern Minnesota and at sites of "outstanding biodiversity significance" in the Pine-Hemingway Creek Area of southeastern Minnesota document the agency's diligence in protecting sites with identified high conservation values (See related Commissioner's Office memos). A set of principles, established by the Commissioner's Office, now guides efforts to maintain and enhance high conservation value forests. They call for "...a range of tools to protect uncommon and rare habitats, from silviculture to reserving no-harvest areas". Specific principles include:

- ✓ *Silviculture is an important tool for maintaining and enhancing forest biodiversity values on specific sites, particularly sites of "moderate biodiversity significance".*
- ✓ *Unharvested reserves are important tools for maintaining and enhancing forest biodiversity values on specific sites, particularly sites of "outstanding biodiversity significance".*

Management prescriptions for designated HCFV sites will vary from normal and alternative silvicultural harvest to reserve status on a site-by-site basis. Due to the diversity of HCVF sites and site conditions, there will be no uniform management prescription across all sites. For example on stands within MCBS sites of "high" or "outstanding" biodiversity significance that are designated as HCVF, management prescriptions may be silvicultural harvests, reserve status, or some combination of the two. An interdisciplinary process, involving all three divisions, will determine which of the identified sites with high conservation attributes (e.g., old growth, biodiversity significant sites, and other sites) will be formally designated as High Conservation Value Forests. An interdisciplinary process to determine the appropriate management prescription for each HCVF site will follow this.

These principles along with DNR's classification of "moderate" and "outstanding" statewide biodiversity significance from the Minnesota County Biological Survey give operational definition to FSC's "precautionary principle and the consequent flexibility of forest management" established in the Lake States Regional Standard (V.3.0: p. 39).

New Regional Management Structure for the Division of Ecological Services: Ecological

Services has recently made a significant reallocation of resources to meet increasing regional demand for ecological expertise. The division is establishing a regional management structure (with four full-time regional managers) to improve service delivery to DNR's four administrative regions. Ecological Service's expertise in conservation science is critical to DNR's capacity to effectively address needed management actions in High Conservation Value Forests. The new regional manager positions will participate in interdisciplinary forums focused on managing priority resource issues that benefit from ecological expertise.

Interdisciplinary, Science-Policy Services provided through DNR's Office of Management and Budget Services: The OMBS - Science Policy Unit provides decision support tools for interdisciplinary policy and integrated management. Staff conduct mission-wide, science-policy analysis for the commissioners and the Forest Resources Issues Team (FRIT) to help identify and resolve contentions, interdisciplinary forest policy issues. OMBS science-policy staff coordinate DNR's interdisciplinary HCVF workgroup and lead efforts in the Manitou Forest Collaborative to test and evaluate ecological silviculture approaches.

*Interdisciplinary Decision-making for the Management of High Conservation Value Forests: **All significant decisions regarding the management of designated high conservation value forest sites (HCVF types A or B) will be done as a collaborative process between the divisions of Forestry, Ecological Services, and Fish and Wildlife. Management actions will require consensus by all three divisions. Where there are disagreements about prescriptions on specific HCVF sites, the disciplines will use joint field visits to develop consensus. A dispute resolution process will arbitrate disputes as needed (See Commissioner's Office memos 2/21/2006 and 7/20/2006 3). Arbitration at higher levels up through the commissioners and directors will follow the standard of maintaining or enhancing the attributes that define the high conservation value forest in question. Given the complexity and uncertainties regarding appropriate management prescriptions for the range of HCVF types and diversity of conditions, DNR will test and evaluate alternative prescriptions and practice adaptive management. Implementation of adaptive management to maintain or enhance high conservation values will involve the expertise and skills of all three divisions: Forestry, Ecological Services, and Fish and Wildlife.***

CAR Task F: Monitoring

The HCVF workgroup proposed a framework to guide the development of a monitoring program and identified core elements to make the program cost effective. These elements include the SFRMP monitoring plan, satellite-based change detection, the stand re-inventory process, and additional opportunities such as collaboration and partnership with other organizations with interest and expertise in monitoring HCVs.

CAR Task G: Partnerships and Coordination

DNR will concentrate partnerships and coordination in established landscape collaboratives that aim to conserve high conservation values. In addition, numerous field staff positions have responsibilities for coordination with other ownerships on special management areas that meet HC VF criteria. Progress on all of these tasks builds a solid foundation for a comprehensive High Conservation Value Forest system on DNR lands”.

SCS Observations and Findings

We conclude that substantial progress has been made on developing an HC VF framework for MN DNR administered forests. The DNR approach is very comprehensive and can serve as a model for how HC VFs will be identified, conserved, and monitored. As a general finding, the existing MN DNR land allocation and management systems have identified and are conserving a full range of HC VF categories. DNR has addressed CAR Task E “Heightened Precaution & Interdisciplinary Decision-making” by instituting a policy of “maintaining or enhancing the attributes that define the HC VF in question” when resolving disputes over areas of HC VF. In other words, DNR’s dispute resolution mechanism for areas of HC VF now requires an outcome that maintains or enhances the HC VF attributes in question. SCS concludes that this commitment along with the other collaborative processes in place, as described above, should be an acceptable approach to ensuring maintenance of HC VF. SCS will continue to review how disputes regarding management actions within HC VF are resolved, and will make additional stipulations as necessary.

Identifying, conserving, and monitoring HC VF is an ongoing process, especially for managers of large public forests. As such, there is still considerable work that needs to be done. More work is needed throughout all levels of the HC VF framework: defining, identifying, managing, and monitoring, see new CAR 2006.10 for details. In conclusion, while recognizing that there is more work to be done, there has been substantial progress completed to-date, and implementing an HC V framework is an ongoing process. Thus, SCS closes CAR 2005.14 and issues CAR 2006.10 requesting continued progress.

Disposition as a result of this audit: Closed. Additional follow-up required under CAR 2006.10

The following CARs (2006.1-2006.3) were issued during SCS’ internal review of the MCEA/Isaak Walton League’s appeal of this certificate. These CARs were issued on August 14, 2006.

| CAR 2006.1 | Reference: FSC Criteria 4.4 |
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| <p>By a date mutually agreed upon between DNR and SCS during the 2006 annual surveillance audit, but no later than the end of the 1st quarter of 2007, DNR must develop and distribute documented guidance that will assist field personnel in determining whether new user-created trails are “problematic.” This guidance document can be similar in format and detail to the recent DNR document providing guidance to the field on area closures. The document should include guidance, even if qualitative, that will assure more consistent consideration of trail density and distance from other spatially specific resource and public use considerations when assessing whether or not user-created trails are problematic.</p> | |

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| Action Taken By Company (Certificate Holder Response) | |
| MN DNR and SCS agreed on the end of 1 st quarter 2007 as the due-date. DNR is working on an upcoming guidance memo that will be sent by the Commissioner's Office. The memo will specifically address the issue outlined in CAR 2006.1 and will be sent to all Departmental staff who are involved with OHV planning and management. | |
| SCS Observations and Findings | |
| SCS confirmed that DNR has initiated efforts to address this CAR within the stated timeframe | |
| Disposition as a result of this audit: Kept Open. Not due until March 31, 2007 | |

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| CAR 2006.2 | Reference: <i>FSC Criteria 4.4, 7.1</i> |
| Effective immediately, DNR must prepare and make publicly available (such as on the departmental web site) a quarterly summary of key statistics related to the OHV classification process, such as: acres of state forest classified as closed, limited and managed, above and below Highway 2; acres of area closures within managed forests, by forest unit. The summary should be made publicly available within the quarter following the last quarter for which data is being presented. (For instance, cumulative statistics through the end of the 2nd quarter of 2006 should be publicized by the end of the 3 rd quarter.) | |
| Action Taken By Company (Certificate Holder Response) | |
| On 10/4/2006 MN DNR provided the following response to this CAR. <i>"As requested in Minor CAR 2006.2, the Department has made available on the internet a summary of the OHV planning efforts. The Department is working on an enhanced data tracking system to better summarize the state forest plans. This database will be collected real-time within Wheels (via the ArcView Planning Tool) beginning Jan. 1, 2007. That's when the Wheels Project goes 'live'. Plans are to generate and post summaries of completed forest data quarterly. Bart Richardson (Central Region GIS Coordinator) has assured that this is a relatively simple matter, and well within the design parameters of the Wheels Database.</i> <i>'Summary of Completed Forests' is now posted at</i> http://www.dnr.state.mn.us/input/mgmtplans/ohv/designation/index.html ." | |
| SCS Observations and Findings | |
| SCS verified that the posting of the status on the DNR website was done. SCS also verified that there is a commitment to continue with quarterly updates, per the expectations of this CAR. | |
| Disposition as a result of this audit: Closed | |

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| CAR 2006.3 | Reference: <i>FSC Criteria 4.4</i> |
| By the 2007 surveillance audit, DNR must develop and implement a system to provide interested stakeholders with timely information and graphic representations of the distribution of non-motorized opportunities and motorized access. For example, the DNR could provide maps of | |

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| non-motorized trails and recreation opportunities that show approximate proximity of motorized trails. |
| Action Taken By Company (Certificate Holder Response) |
| No action taken- due 2007 |
| SCS Observations and Findings |
| SCS will review at the 2007 surveillance audit. |
| Disposition as a result of this audit: Continued |

Recommendations:

Twelve recommendations were given during the initial assessment in 2005- see the 2005 report for the full list. The following recommendations are ones that the DNR has taken or plans to take action upon. Acting upon recommendations is entirely at the discretion of the certificate holder, and not acting upon them does not jeopardize the certificate. Recommendations are intended to show the certificate holder opportunities where further conformance with the standard is possible.

Recommendation 2005.1: DNR should consider a more active program to create/promote opportunities for sport ATV riders on private lands (e.g., reclaimed strip-mined land) that are specifically managed for that purpose, thus shifting riders off State forests. Opportunities could be created through purchase of land or through building and maintaining trails.

DNR Action/Response:

The Minnesota DNR does currently have an OHV Trail Assistance Grants program that has funded the development and maintenance of 31 OHV trails through out the state to date. Trail clubs work with a local unit of government to operate these trails of which many occur primarily on private lands. Some of these projects include reclaimed gravel pits in their trail system.

DNR Trails and Waterways staff work with OHV organizations to identify future opportunities for more such projects and assists clubs in planning/design and development. More clubs are being formed each month and we anticipate that more projects will come forth from these new groups become active locally.

DNR also is expanding the Iron Range Off Highway Vehicle Recreation Area in Gilbert by acquiring an additional 3,000 acres of more adjacent iron mining lands to expand the riding opportunities that we currently have on 1,200 acres. This addition is expected to be completed next year.

We will continue to research other such opportunities for the development of OHV riding opportunities on reclaimed mining lands as they become available. The terrain in these mined out areas can provide OHV riding challenges that are not available on State Forest lands.

Recommendation 2005.6: DNR could improve preservation/enhancement of genetic diversity by broadening the diversity in size and quality of retention trees. A retention philosophy of leaving a full range of tree quality (i.e., “good, bad, and the ugly”) is necessary to enhance broad genetic diversity.

DNR Action/Response: *We believe that our stepped up efforts and attention to green tree retention approaches in responding to the Corrective Action Request (FSC CAR #4) will address this recommendation.*

Through our training sessions, information sharing meetings, and other forums, we have emphasized the reasons, approaches and benefits of green tree retention.

Through our timber sales inspection system, we believe we have an effective approach to objectively monitor our progress toward addressing this CAR and recommendation.

Recommendation 2005.10: For each timber sale DNR should prepare a written description covering the strategic management objective of the treatment, present stand condition, desired future condition of the stand, actions to be achieved, desired future condition, silvicultural systems to be used, ECS, and/or other silvicultural prescription information. See Aitkin Area form for reference.

DNR Action/Response:

The Division has begun, and will over time achieve this information using a combination of our computer modules.

- *Present stand condition is recorded and maintained with our Forest Inventory Module (FIM). A new enhancement to FIM is that an automated growth and yield model developed by the Division using Forest Inventory and Assessment (FIA) data, keeps the data current, based on the assumptions contained in the model.*
- *A strategic management objective field has recently been added to our Silviculture and Roads Module (SRM) so that the stand objective is recorded and archived at the time a management prescription is developed.*
- *A ten year management prescription is developed and archived in SRM for each stand receiving treatment.*
- *An ECS – Native Plant Community (NPC) field was recently developed and added to SRM. An internal Division policy adopted in March 2006, requires a phased approach to determining and archiving the NPC for each accessible stand receiving treatment. Full implementation is expected by 2008.*
- *Silvicultural interpretations, related to stand condition, management objectives and NPC are currently under development.*

When fully developed and implemented it is expected that these systems will fully meet the requirements addressed by the Aitkin Area form, but with statewide consistency and accountability that the computer modules provide.

Recommendation 2005.11: DNR should undertake efforts to improve the accuracy of its inventory information, e.g., ensuring re-inventory is kept on schedule.

DNR Action/Response: *Since 2003, specific re-inventory targets have been established, and monitored for each Forestry area. These targets are based on percentage of state administered lands, and covertypes. The actual inventory data is collected within our Forest Inventory Module (FIM) and progress toward area goals is monitored through FIM's reporting function.*

Re-inventory has been established as a high priority activity within the Division. In each of the last two years, the Division has allocated general fund dollars to contract out a portion of this re-inventory to trained, qualified vendors. A QA/QC process is performed on a percentage of this contract re-inventory by our Division's Resource Assessment Office to ensure accuracy.

In FY05, we completed 115% of our statewide target. In FY06 we expect to meet or exceed our targets as well.

In addition, it is policy that whenever a management action changes the character of a timber stand, an 'alteration' of the inventory data must be completed within six months of the action. Alteration accomplishments are also tracked and reported through FIM.

2.5 General Observations

All observations are included under the appropriate CAR, Recommendation, or in Section 3.1.

2.6 New Corrective Action Requests and Recommendations

Background/Justification: DNR has been unable to accomplish some of its key management objectives according to DNR stated schedules, most noticeably completion and implementation of SFRMP. We observed the following gaps, which we believe are at least partially due to insufficient resources:

- Substantial delay on finalizing and implementing SFRMPs. The latest projection for completing SFRMP's is now mid-2008, and the scheduled completion date for many of the plans is delayed one year.
- Insufficient communication and training on plan implementation as indicated by staff working within the Agassiz Lowlands and Border Lakes region either receiving training very late into the plan for Border Lakes or not yet receiving any training for Agassiz Lowlands.
- Delay in finalizing and distributing key documents to field staff, such as Old-growth Guideline Amendment #2, which covers additions to the old-growth network, and the Coordination Policy.

Other evidence of resource shortfalls includes:

- Limited time to update and correct spatial errors found in the old growth database.

- Division of Wildlife have acknowledged that they are having a hard time finding people to serve on OHV planning teams.
- Limited progress on BMPs for invasive species.
- Limited progress on updating forest/wildlife management guidelines.
- DNR staff have a collective sense that they have too many tasks and not enough time to complete them (as communicated by many DNR staff during audit interviews).
- Planners reassigned to coordinate state-wide OHV trail designation are overextended.

The fact that DNR has requested a significant increase in funding in the Governor's biennial budget helped the audit team to justify a minor CAR rather than a major CAR in response to these observations.

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| CAR 2006.4 | DNR must improve staffing/funding levels or find other ways to address this chronic problem of not being able to accomplish key management objectives within publicly stated timeframes. At the time of the 2007 surveillance audit, DNR must present the actions taken, the results of those actions, and planned future actions to correct this problem. |
| Deadline | 2007 surveillance audit |
| Reference | <i>Criterion 5.1</i> |

Background/Justification: Although considerable work has been done on developing the strategy and requesting funds for an enhanced terrestrial invasive species control program, there is considerable work yet to be done on further development and implementation. The Operational Order for DNR staff is not scheduled to be implemented until May 1, 2008. SCS has the following other key concerns regarding the level of threat of invasive species relative to the current state of DNR's program to control them:

- DNR's initial framework proposes essentially no concrete actions for addressing the OHV and other major pathways of invasives. This is of significant concern considering the popular and growing use of OHV's on state forests, and the widespread dispersed use allowed with the managed classification
- DNR has yet to provide details regarding the content and timeline for implementation of invasive species BMPs.
- No state forestlands have been formally mapped for terrestrial invasive plant species.
- The Strategic Conservation Agenda fails to identify that there is essentially no control work or preventative measures being taken on the state forests that account for the majority of DNR administered lands, and instead only mentions mapping and control activities on State Parks, SNAs, and WMAs. This omission misses an opportunity to communicate to the public the scale of the problem/threat.

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| CAR 2006.5 | By the 2007 surveillance audit, DNR must present the full details and |
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| | schedule for a timely implementation of a program to comprehensively address invasive species introductions and their control. The program must include specifics on mapping/identification, removal/control, and prevention, including specifically how the OHV, logging, horse riding, and other major pathways of invasive species introduction will be contained/controlled. |
| Deadline | 2007 surveillance audit |
| Reference | <i>Criterion 6.9</i> |

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| Background/Justification: DNR has thus far not adequately addressed CAR 2005.10 | |
| Major CAR 2006.6 | As part of the implementation of each SFRMP (which functionally occurs when the timber management program is operating from the new stand selection list), DNR must set specific targets for how much each administrative area intends to move toward the DFC for cover type changes. Targets must be set under the premise that each area contributes an appropriate share to meeting the subsection goals, measured by acreage or other metrics defined by MFRC landscape plans. The appropriate share must be determined by analysis that considers how the potential to achieve the desired future condition varies across administrative boundaries (e.g., potential for increasing upland conifer forest may vary substantially across administrative areas). For subsections operating under SFRMP stand selection lists, DNR must set the specific targets. DNR must implement a policy assuring that managers of administrative areas set targets, where such targets are necessary, for meeting SFRMP goals. |
| Deadline | 3-months after receipt of the final 2006 audit report |
| Reference | <i>Criterion 7.1 and 7.3</i> |
| January 2007 Response to this major CAR: | |
| <p>Background</p> <ul style="list-style-type: none"> • <i>Earlier in 2006 the DNR SFRMP Process Work Group reviewed the original CAR (CAR 2005.10) and concluded that it was not clear whether the CAR was concerned primarily with holding Division of Forestry administrative areas accountable for contributing to SFRMP DFFCs or better defining how SFRMPs are contributing to MFRC regional landscape plan DFCs, goals or strategies. As a result, DNR sought clarification from SCS. Via a telephone conversation in May 2006, the SCS lead auditor provided direction that DNR response to this CAR should focus on the first concern (i.e., holding administrative areas accountable to achieve SFRMP DFFCs).</i> <p><i>A review of DNR SFRMP strategic direction (i.e., general direction statements, strategies and desired future forest condition goals) will find that they are closely matched with the DFCs/goals/</i></p> | |

strategies contained in MFRC landscape plans (examples can be provided). Given this and the auditor's previous direction, the DNR's response to this CAR will focus on addressing the issue of holding Forestry administrative areas accountable for implementing SFRMP strategic direction, including contributing towards the more quantifiable DFFC goals.

In late 1999, the DNR made the decision to approach forest management planning via a landscape (i.e., ECS subsection) approach rather than by administrative boundaries. This decision was made for a number of reasons, including:

- *Department and division direction to manage forests more on an ecological basis.*
- *Subsections are based on natural or ecological boundaries rather than artificial administrative boundaries.*
- *Interest groups were promoting managing forests on an ecological landscape basis.*
- *Larger amounts of DNR land within subsections (compared to administrative areas at the time) made planning for multiple strategic goals more feasible.*
- *Growing GIS capabilities made it feasible to assemble and present data on an ecological landscape basis.*
- *The ECS system had been used for a number of DNR (and non-DNR) efforts:*
 - *Old Growth Forest designations (subsection).*
 - *Extended Rotation Forest Guideline (subsection).*
 - *Wildlife habitat analyses (LTAs)*
 - *White pine initiative (subsection).*
 - *RNV (section)*
 - *MFRC landscape assessments (section).*

The CAR appears to be questioning whether DNR will likely achieve landscape (subsection) targets without allocating specific targets to administrative areas. SFRMPs establish numerous desired future forest conditions, some of which are quantifiable at the subsection level, some that are purely directional (i.e., more or less of some condition compared to current conditions) and intended to be broadly applied across the subsection, and some that can be roughly allocated to various administrative areas the boundaries of which cross into a subsection.

The 10-year stand examination list is a good example of how a landscape target is allocated to administrative areas (as a result of the subsection stand selection process). The stand examination list represents the primary Area workload and opportunities for contributing toward SFRMP strategic direction and DFFC goals (i.e., field evaluation of stands to determine the appropriate treatment consistent with the SFRMP strategic direction and each site's capabilities). Each year, annual stand examination lists are developed for each Division of Forestry administrative area from the completed 10-year SFRMP stand exam lists and from interim plans (where SFRMP stand selection has not yet been completed). The annual stand examination lists are incorporated into the Division of Forestry annual work plans for each administrative area as targets (i.e., acres to be field visited/examined in upcoming fiscal year).

However, it is difficult and frequently undesirable to assign desired future conditions by administrative area because not enough site-level information is available during planning to do so (e.g., since cover type conversion decisions are necessarily based on on-site evaluations and conditions, it is difficult to allocate cover type conversion goals by administrative area in a meaningful way), the future conditions are intended to be applied/ achieved broadly across the entire subsection, and allocating landscape level goals back to administrative areas is considered counter

to the original purpose and decision to plan by landscape. The decision to plan by landscape required a major conceptual shift from the administrative area-based approach used by the DNR prior to SFRMP. As such, the DNR is hesitant to incorporate efforts that might cause confusion or interfere with staff embracing a landscape approach.

Communication of SFRMP strategic direction, including strategies and desired future forest condition goals, is an important part of holding field staff accountable. This communication has occurred primarily through participation in the planning process and training sessions for all field staff. However, the DNR believes that there is opportunity for improvement in this area. In addition, periodic implementation monitoring will help hold staff accountable to plan goals and direction. DNR has directed additional staff time towards getting the monitoring process and reports operational.

Action

Allocation of SFRMP Goals by administrative area: By May 1, 2007 DNR will identify the SFRMP desired future condition goals that will be allocated by Division of Forestry administrative area versus those where staff will be held accountable primarily via SFRMP implementation monitoring (e.g., to gauge relative contributions by administrative area). In most cases where “goals” are allocated by administrative areas, they will be provided as rough proportionate estimates for gauging progress during implementation monitoring. Allocation of subsection goals by administrative area, as determined above, will be done as part of or upon completion of the each SFRMP plan. For SFRMPs already completed, this will be done to the extent possible.

SFRMP Training: Training will be provided to field staff once the decision is made to begin implementing the strategic direction (i.e., desired future condition, strategies) from an SFRMP. Beginning in 2007, area annual stand exam list review meetings (involving Forestry, Fish & Wildlife and Eco-Services staff) will include a review of direction from applicable SFRMPs, with emphasis on any areas of concern arising from the initial monitoring reports. Brief SFRMP field guides will be provided to field staff as a day-to-day reference for important SFRMP desired conditions, strategies and associated site-level considerations.

SFRMP Implementation monitoring: By July 1, 2007, initial SFRMP implementation monitoring reports will be developed for each subsection for which SFRMP direction has been implemented. This implementation monitoring information will help determine progress towards desired future conditions and implementing key strategies by subsection. Contributions by administrative area towards some subsection goals/strategies will also be monitored, recognizing that resources (i.e., opportunities) are not necessarily equally distributed among administrative areas. Thereafter, SFRMP implementation reports will be generated periodically following completion of the plan. SFRMP teams will reconvene as necessary to address areas of concern identified by the monitoring process. Corrective measures (e.g., additional training, resources, guidance) will be applied as needed to address identified concerns with implementation progress.

In February 2007 SCS sought clarification on the above response and received the following additional information:

It is a bit difficult to elaborate on the statement “to the extent possible” prior to having the discussion about the degree to which we will allocate desired future forest condition goals by Forestry administrative area. In order to keep moving forward in an adaptive process, we don’t feel we can afford to spend inordinate amounts of staff time and resources going back to completed plans to do in-depth analysis to allocate certain subsection goals by administrative area (i.e., if we determine that in-depth analysis is desirable to allocate certain goals in current/future plans). If such cases, we would rely on monitoring to determine progress on the landscape goal and associated

contributions by administrative areas. The allocation of any goals not allocated in the initial plan would be accomplished when the plan is renewed down the road (which isn't too far off for some of the plans). If, however, our approach to allocating subsection goals requires relatively simple approaches, then we may be able to generate administrative area numbers similar to what we would propose to do for current/new SFRMPs without significant redirection of resources.

In terms of time lines, given our desire to complete discussions about the degree to which we will allocate desired future forest condition goals by administrative areas by July 1, we should be able to apply these allocation approaches (again, to the extent possible) to completed SFRMPs by the end of the year (December 31, 2007).

SCS Observations and Findings

SCS believes the combined goal setting/monitoring approach has the potential to adequately address this issue. In May 2007 we will review the DNR's response, and determine if it can adequately address the non-conformance.

Disposition at (Feb 2007): Open

Background/Justification: DNR has developed an improved enforcement strategy, as requested in CAR 2005.1, Phase 1. However, the strategy has been only partially implemented. Meanwhile, damage is occurring from improper OHV activity and DNR does not have an effective mechanism to fund the necessary repair work.

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| CAR 2006.7 | By the time of 2007 surveillance audit, DNR must fully implement WHEELS and the Focus Forest enforcement concept. Considering the extent of implementation at the time of the next audit, DNR must prepare an assessment of the effectiveness of these and other monitoring and enforcement tools (in conjunction with new forest and trail designations) at curtailing unauthorized OHV activity. Additionally, DNR must find a new funding mechanism or enhance existing mechanisms to repair OHV trail damage at a pace that substantially exceeds the rate by which new damage is occurring. |
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| Deadline | 2007 surveillance audit |
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| Reference | <i>Criterion 1.5</i> |
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Background/Justification: Since the initial assessment, some external stakeholders have claimed that fear of reprisal is keeping DNR staff from expressing concerns on OHV management viewpoints that may run counter to the desired direction of the Commissioner's Office. SCS has found no evidence that retribution has occurred, and the overwhelming number of DNR staff interviewed did not share this fear of reprisal. However, a few DNR employees have expressed concerns about their ability to voice dissenting viewpoints in a threat free manner. Furthermore, DNR does not have a clearly defined procedure that describes how employees can raise dissenting viewpoints/concerns in a threat free manner.

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| CAR 2006.8 | DNR must clarify the process that employees can use to share their concerns about management practices in a threat free manner, i.e., |
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| | without reprisal. |
| Deadline | 2007 surveillance audit |
| Reference | <i>Indicators 4.1.b, 4.1.f, 4.3.b.</i> |

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| Background/Justification: SCS is aware of at least one important policy (i.e., Amendment to Old Growth Policy) that was not communicated to DNR field staff in a timely manner. Also there are excessive delays in finalizing and implementing key documents and policies (e.g., Coordination Policy). | |
| CAR 2006.9 | Institute a procedure for timely finalization, communication, and implementation of new policies and procedures. To assess conformance SCS will look for new department-level guidance on this topic. SCS will also review the status of recent policies and procedures, and how effectively they have been communicated and implemented. |
| Deadline | 2007 surveillance audit |
| Reference | <i>Criterion 7.1</i> |

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| <p>1. Background/Justification: In responding to CAR 2005.14, DNR kicked-off a comprehensive program for classifying and maintaining HCVF. However, identifying, conserving, and monitoring HCVF is an ongoing process, especially for managers of large public forests. As such, there is still considerable work that needs to be done. Arguably, the most important aspect of this work is developing and implementing the necessary guidelines to ensure proper management of HCVF within high and outstanding MCBS sites, ecologically significant lowland conifer, and the old forest management complexes.</p> | |
| CAR 2006.10 | <p>By the time of the 2008 surveillance audit DNR must:</p> <ol style="list-style-type: none"> 1. Establish/clarify the processes by which members of the public are consulted regarding HCVF and how the public can make nominations to HCVF. 2. As needed, develop and implement additional guidelines for appropriate management of HCVF. (Note: designation as HCVF does not prohibit management.) 3. Complete an analysis of social values, including communications with Tribes. 4. Complete a review to determine if primary old growth stands were missed in the first old growth designation process 5. Make a formal commitment to continue identifying, maintaining/enhancing, and monitoring HCVF. <p>Beginning at the time of the 2008 surveillance audit, an annual progress report detailing HCVF accomplishments must be presented to SCS and the</p> |

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| | public. |
| Deadline | 2008 surveillance audit |
| Reference | <i>Criterion 9.1, 9.2, 9.3, 9.4</i> |

Recommendations:

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| Background/Justification: There is an opportunity to improve the effectiveness of training | |
| Recommendation 2006.1 | DNR should continue to improve training by addressing the gaps identified in their CAR 2005.12-related gap analysis, more effectively linking monitoring findings to training needs. |
| Reference | <i>Criterion 7.3</i> |

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| Background/Justification: The decision making authority of regional directors has been strengthened over the last couple years. However, DNR has not clearly communicated the specific changes in decision making authority to its staff or the public. | |
| Recommendation 2006.2 | DNR should codify the specific decision making authority that regional directors have and communicate this to DNR staff as well as the public. |
| Reference | <i>Criteria 4.5, 7.1</i> |

2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document review, SCS concludes that management of the MN DNR administered forests continues to be in overall conformance with the FSC Principles and Criteria. We also wish to commend the Department for the level of effort expended in responding to the CARs that were issued at the time of the original certification evaluation and earlier in 2006. However, as described in Sections 2.4 and 2.6 there are Minor and Major CARs that must be addressed. Addressing these CARs within the stipulated timeframes should be considered of high importance.

3.0 DETAILED OBSERVATIONS

This section is divided into two parts: Section 3.1 details the determining of conformance and non-conformance with the elements of the standard examined during this audit. Section 3.2 discusses stakeholder comments.

3.1 Evaluation of Conformance

SCS auditors selected Principles 6 and 7 for assessment during the 2006 assessment. In addition to findings provided in the table below, DNR's performance relative to Principles 6 and 7 is

discussed extensively in Sections 2.4 and 2.6. Furthermore, Sections 2.4 and 2.6 also discuss DNR's performance relative to a number of other FSC Criteria including 1.5, 3.2, 3.3, 4.4, 5.1, 9.1, 9.2, 9.3, and 9.4.

C= Conformance

NC= Non-Conformance

C*= Overall Conformance, but there are outstanding discretionary CARs

CONFORMANCE TO SELECTED FSC CRITERIA

| REQUIREMENT | C/ NC | COMMENT/CAR |
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| P6 Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest. | | |
| C6.1. Assessments of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations. | C | Assessment of environmental impacts continues in the same fashion as it did at the time of the original assessment. See 2005 FSC Full Assessment Report. At the time of the 2006 audit, DNR demonstrated continued progress toward integrating ECS into its vegetation management decisions. |
| C 6.2. Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping, and collecting shall be controlled. | C | There have been no significant changes to DNR's systems for safeguarding rare, threatened, and endangered species- See 2005 FSC Full Assessment Report. The Division of Ecological Services added four new regional manager positions. These new positions will improve Ecological Services representation in DNR decision making. We also observed evidence of the Cloquet Valley OHV Planning team's consideration and mitigation of trail impacts to a threatened species, the wood turtle. On the negative side, a revised Coordination Policy that was in draft form in October of 2005 still has not been finalized and implemented (CAR 2006.9). |
| C6.3. Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem. | C | DNR remains in conformance with this Criterion. The most significant change relative to this Criterion is improved training and use of ECS. Training has shifted from a 2-day to a 5-day training. Additionally, we observed more consistent conformance with the extent and manner that green tree retention met the Site-level Guidelines (though these sales were started prior to DNR's renewed attention). Other evidence of conformance during the 2006 audit included: <ul style="list-style-type: none"> • successful regeneration in both naturally |

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| | | <p>regenerated and planted stands</p> <ul style="list-style-type: none"> substantial investments to protect planted stands from deer browse using bud capping and repellent spray |
| <p>C6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</p> | C | <p>DNR's standing with respect to this Criterion remains at the marginal conformance level, primarily because no work has been done on completing the gap analysis per the terms of CAR 2005.6. See 2005 FSC Full Assessment Report.</p> <p>The audit team observed the following positive developments with respect to 6.4. In Feb. 2006 three primary red/white pine stands on DNR-administered land near Ely, MN were designated as protected old growth. In SE Minnesota three stands in the Pine-Hemmingway Creek area (126 acres) were designated as reserves. Additionally, DNR created a position and hired a forest planner to coordinate lowland conifer old-growth evaluation.</p> <p>Finally, DNR worked in cooperation with Trust for Public Land (TPL), Forest Capital Partners, and The Nature Conservancy to protect 50,000 acres of working forest in parts of Itasca and Koochiching Counties. DNR will hold the conservation easement on this property.</p> |
| <p>C6.5. Written guidelines shall be prepared and implemented to control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and to protect water resources.</p> | C | <p>DNR remains in conformance with this Criterion. There have been no significant changes in DNR's approach to BMP's. See 2005 FSC Full Assessment Report.</p> <p>The 2006 audit re-confirmed the initial assessment results that DNR is implementing a strong program of BMPs. In general, road conditions were good. Concerns of OHV impacts to roads and trails remain, observations substantiating these concerns include:</p> <ul style="list-style-type: none"> OHV impacts damaged crossings and created several renegade ATV trails on Winter Miller Road in the Littlefork Area. An access control of large boulders blocking a logging road were removed, as a result water bars, which otherwise would have been very effective, were destroyed by unauthorized OHV traffic. <p>See CAR 2006.1, CAR 2006.3, CAR 2006.7</p> |
| <p>C6.6. Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest</p> | | <p>DNR chemical use policies and practices are outlined in Operational Order 59, which states "<i>Pest control practices on DNR administered lands and in public</i></p> |

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| <p>management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.</p> | | <p><i>waters will employ integrated pest management techniques. Managers making pest management decisions will base all decisions on the safety of employees and the public, statutes, rules and regulations, ecological impacts, impacts to natural resources, economics and DNR management goals”.</i></p> <p>There have been no significant changes in DNR’s approach to chemical pesticide applications. During the 2006 audit we observed consistent adherence with the above polity. Of note, we observed effective use of herbicide (Garlon/accord) on aspen in a pine restoration treatment. See 2005 FSC Full Assessment Report.</p> |
| <p>C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</p> | C | <p>There have been no changes to DNR’s procedures for handling chemicals and other non-organic wastes. During the 2006 audit, we observed full conformance with this criterion.</p> |
| <p>C6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</p> | C | <p>No changes in DNR’s approach to biological control agents. See 2005 FSC Full Assessment Report.</p> |
| <p>C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</p> | NC | <p>See discussion above under CAR 2005.8. More work is needed on implementing programs to control invasive exotic plants.</p> |
| <p>C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: a) Entails a very limited portion of the forest management unit; and b) Does not occur on High Conservation Value Forest areas; and c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</p> | C | <p>Forest conversion to plantations or non-forest land uses does not occur.</p> |
| <p>P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</p> | | |
| <p>C7.1. The management plan and supporting documents shall provide: a) Management objectives. b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. c) Description of silvicultural and/or other management system, based on the ecology of</p> | NC | <p>DNR remains in non-conformance with this criterion as there is still considerable work to be done on preparing and implementing SFRMP across the state. See discussion under CAR 2005.9, CAR 2005.10, and CAR 2006.4. Also see 2005 FSC Full Assessment Report.</p> |

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| <p>the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species. h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</p> | | |
| <p>C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</p> | C | <p>Operational components of the management plan are reviewed annually through the stand examination list. Strategic plans will be reviewed and revised after seven or 10 years (depending upon the subsection involved).</p> |
| <p>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</p> | C | <p>In general, DNR has demonstrated sufficient attention and resources to training. With the exception of gaps in training for implementation of SFRMP (see Major CAR 2006.6), SCS did not observe any other significant gaps in training during the 2006 audit.</p> <p>In response to CAR 2005.11, DNR described their process to identify training needs through monitoring of management activities and forest conditions. Recommendation 2006.1 encourages DNR to further develop and formalize the manner by which monitoring results are used to identify training needs.</p> |
| <p>C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.</p> | | <p>DNR remains in clear conformance with this criterion. All DNR plans are public and readily available. Furthermore, many of the DNR planning documents, such as SFRMP, contain an executive summary.</p> |

3.2 Stakeholder Comment

As part of the 2006 surveillance audit, SCS auditors consulted with a broad cross-section of stakeholders. Consultation took place prior to, concurrent with, and following the field evaluation. Consultations were undertaken via phone and in-person meetings. Principal stakeholder groups of relevance to this annual surveillance audit were identified based upon results from the initial full evaluation (conducted in October, 2005). The following types of groups and individuals were determined to be important stakeholders:

- DNR employees, including headquarters and field personnel (See section 2.3)
- Adjacent property owners/managers
- Pertinent tribal representatives
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based recreation user groups
- Forest industry groups and organizations
- Purchasers of Minnesota state forestland timber sales
- Local jurisdictional bodies such as County Commissioners

On February 3, 2006 the Minnesota Center for Environmental Advocacy (MCEA) appealed the SCS decision to award certification to Minnesota DNR. Isaak Walton League (IWL) joined in as a complainant, but did not submit any additional complaints. The MCEA appeal largely focuses on the Minnesota DNR’s motorized recreation program and SCS’ view of DNR policies regarding conformance with the FSC standard. SCS conducted an “internal review” of the challenge against the award of certification to MN DNR, pursuant to our obligations as a FSC-accredited certification body.

On August 14, 2006, SCS submitted the findings of its internal review to MCEA , Isaak Walton League, MN DNR, FSC U.S., and FSC International. A copy of this SCS response letter is available, upon request, from SCS. The complainants were not satisfied with the SCS responses and elevated the complaint to FSC International. FSC International has asked FSC U.S., on their behalf, to try and resolve the complaint informally pursuant to the FSC Informal Dispute Resolution Protocol- Jan. 1998. MCEA, IWL and SCS agreed to try and find a resolution through this avenue. In early December, FSC conducted separate preliminary interviews with SCS and MCEA; that process is ongoing.

3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

Multi-Stakeholder Concerns Regarding:

General Issues Related to Certification

| Comment/Concern | Auditor Response (where applicable) |
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| The DNR has a history of developing good plans but not in follow through and implementation. | The auditors’ observations related to SFRMP, Old Growth Amendment, Coordination Policy suggest this is a problem. See CAR 2006.9 |
| Many within DNR would actually like to see stronger CARs in order for them to implement plans in the face of strong political opposition. | Whether or not a CAR is issued, and its intensity, is determined by assessing relative conformance with the Lake States Standard, not a staff desire for strong CARs. |
| Supports DNR certification and would like to see it used as a process to improve MN DNR forest | Duly noted |

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| management. | |
| Looking for a changed culture for how DNR does business, but so far they appear to be using certification as a hurdle to clear rather than a process or management philosophy. | The audit team disagrees and has seen notable changes in management, e.g., progress on HCVF. |
| Feels the DNR has been responsive to certification | Duly noted |
| The DNR has issued more press releases in the past year and more are getting picked up by newspapers, which is a good development in transparency | Duly noted |

OHV Management

| Comment/Concern | SCS Response |
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| Suggested looking at and using the CARs provided in the Cass County FSC certification. Stakeholders have not appealed this certificate because they feel it better represents actions necessary to address mounting ATV issues. | <p>The Cass County CAR that this stakeholder is referring states: <i>“CCLD shall develop and implement a policy and action plan for management of off-road motorized use, particularly for ATVs. CCLD’s plan shall be consistent with the FRMP, Comprehensive Plan and FMGs, and shall minimally include the following, with completion dates established for each component of the plan:</i></p> <ul style="list-style-type: none"> • <i>Balanced and transparent consultation with stakeholders representing all sides of the issue;</i> • <i>Designated trail system complete with maps;</i> • <i>Posting of signage adequate to clearly convey status of trails;</i> • <i>Published rules and regulations for ATV use with clear definitions on what constitutes an ATV trail and corresponding public education strategy;</i> • <i>Maintenance plan for trails and signage;</i> • <i>Permanent, uniform enforcement plan with adequate funding provided for controlling negligent and unauthorized ATV use and resulting environmental damage.”</i> |

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| | <p>There is nothing in the Cass County CAR that DNR is not already doing or that SCS has not requested of them to do. However, and of note, most of Cass County is south of Highway 2, and thus is only dealing with the limited classification.</p> |
| <p>OHV Forest Classification and Management</p> <p>The ATV trail designation and subsection planning processes are moving along. There is some difficulty integrating county planning within DNR plans, but it is acceptable.</p> <p>DNR’s openness to the “managed” option in Beltrami and other northern counties has greatly improved relations between the state and counties, and allowed for cooperation on OHV planning, which would not be possible under a “limited” only option</p> <p>Managed Forest Classification – the commenter’s position is that because it is not possible to distinguish between legal and illegal trails within “managed” forests then the DNR is fundamentally in non-compliance with FSC Principle 1 regarding the ability to enforce laws. There is also concern that the managed forest designation will ruin chances of designating candidate forests areas as HC VF because of the extent of trails (sanctioned or not). If the hunter exemption was removed, the commenter would be much more amenable to the managed option, though still concerned that it provides unfettered access.</p> <p>In the absence of the limited classification, the commenter advocates for CAR 2005.14 be clarified and strengthened regarding signoff of division chiefs and regional planning staff.</p> <p>There are five standards by which routes must be designated, otherwise they are illegitimate:</p> <ol style="list-style-type: none"> 1. Public and Environmental Review – the state legislature removed the requirement that an environmental checklist be conducted in designating routes; even though the DNR chooses to do the checklist, it is not legally binding. Without a legally | <p>The majority of these OHV complaints are discussed or addressed under CAR 2005.1, as well as CARs 2006.1, 2006.3, 2006.4. The remaining comments were addressed in the full evaluation report.</p> <p>DNR is planning on identifying illegal trails within the managed classification through WHEELS. Although not yet proven, it is possible to distinguish between legal and illegal trails with this approach.</p> <p>See CAR 2005.14 and CAR 2006.10 for clarification of the HC VF CAR</p> |

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| <p>binding checklist there is no recourse for citizens to contest routes.</p> <p>2. Designated Routes – there must be a “closed unless posted open” policy similar to the State of Michigan.</p> <p>3. Adequate law enforcement – there are less than 100 officers patrolling all the trails and managed areas within the state and as of last information received, only 23 hours per officer per year are budgeted to ATV/OHV enforcement even though there are adequate gas taxes and other sources of funding. Good routes are meaningless without adequate control.</p> <p>4. Funds to repair damage – developed an ORV checklist for citizens to monitor the damage and are doing a preliminary cost of restoration analysis.</p> <p>5. Oversight and accountability to accomplish the first four standards.</p> <p>Although DNR prefers the limited classification, DNR believes the managed option can work but it will just be significantly more costly to implement.</p> <p>Commenter believes DNR should take a stronger stance on educational outreach on the environmental impacts of DNR’s OHV decisions;</p> | |
| <p>Commissioner’s Office is undercutting staff decisions. Stakeholders cited the Nemadji State Forest and the Leach Lake Wildlife Management Area where staff are being asked to prepare access plans, conservation plans, or other management decisions that, some stakeholders allege, are politically favorable to local counties. Some stakeholders allege that DNR staff fear for their jobs if they a) refuse to follow orders, or b) bring it to the attention of others. On the Nemadji State Forest user created ATV trails (illegally created) currently exist within recognized old growth and has been sanctioned and legalized by the Commissioner using their planning process; the trail designation team repeatedly recommended the trail be closed, but the Commissioner overruled in favor for those wanting the trail. Within the Wildlife Management Area</p> | <p><u>Nemadji State Forest- ATVs in old-growth</u> The OHV trail that the commenter references was established before the designation of the stand as an old-growth forest reserve. DNR old-growth guidelines do not require the closing of pre-existing trails and corridors. Furthermore, designated old-growth is present on only one side of the trail/road. DNR field staff are not aware of any user created ATV trails running through old-growth in Nemadji State Forest.</p> <p><u>ATV use on a WMA</u> Kittson County is claiming a ditch bank that borders on a WMA is in</p> |

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| <p>ATVs are illegal but through much back and forth between the DNR and county, ATV access is effectively being allowed because, it is alleged, staff and enforcement are being asked to turn their backs.</p> | <p>fact a township road, and thus ATVs are legal. They have "encouraged" its use. The state disagrees, and in the past, has taken action to prevent ATV use. The county and state have now agreed to take a breath and see if there is a settlement that both parties can agree with. Short of that, the state has told the county that legal action will be taken to resolve the issue. SCS does not agree that these actions trigger a non-conformance with the FSC standard.</p> <p>In addition, the following CARs address related issues:</p> <p>CAR 2006.10 addresses potential impacts to HCVF such as old-growth.</p> <p>CAR 2006.8 addresses concerns about the lack of a threat free arena for DNR employees to air concerns.</p> |
| <p>Resource Damage Resource Damage from ATVs – current and past resource damage is not being addressed or even documented in some cases. The example was given of the Willard Munger Trail in central MN, which is a designated non-motorized trail with excessive and obvious resource damage. The problem is that the Damage Account administered by Trails and Waterways is a) insufficient to address the problem, and b) only covers damage associated with designated trails. Other divisions are responsible for damage outside designated areas but they have neither the money nor the time.</p> <p>Loggers are doing a good job, but the ATV/OHV groups are taking public dollars and not using the monies for appropriate purposes. The Grant-in-Aid system is corrupt in that it transfers millions of</p> | <p>See CAR 2006.7</p> |

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| <p>dollars to ATV groups to further degrade the environment or use the funds for unrelated activities when it was suppose to pay for trail maintenance, repair of environmental damage, and monitoring.</p> <p>Damage account is way too restrictive; money has not been spent because applications are not coming through. Compare with MI DNR where 12.5% of all OHV funds go into trail rehab work and preventative work.</p> | |
| <p>Misc. OHV Management Issues</p> <p>Maps of trails aren't of adequate resolution to assess appropriateness of trail location</p> <p>There is a need for full documentation of past year accomplishments on ATVs provided to the public</p> | <p>See CAR 2006.1 and 2006.3.</p> <p>The DNR website on OHV planning contains detailed information on progress and accomplishments.</p> |

HCVF and Old Growth

| Comment/Concern | SCS Response |
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| <p>Designation of HCVF DNR should stop dragging its feet on designating HCVF. Would like to see 500,000 acres of HCVF designated</p> <p>Is concerned that designation would in practice close up forests to industry (even though they could still be managed), which will lead to a large fight industry.</p> | <p>As this summary of comments reveals, there are competing views on what should qualify as HCVF. Regardless of the differing viewpoints, in response to CAR 2005.14 DNR embarked on a comprehensive scientific process for designating and maintaining HCVF.</p> |
| <p>The DNR has not done a cross-walking exercise with their forest with respect to the ecological classification units to identify candidate HCVF areas. The DNR has also stated (John Nelson) that it may request an indefinite extension to designating HCVFs</p> | <p>This has been completed. See CAR 2005.14. Designating HCVF will be an ongoing process as new sites are discovered and reviewed, e.g., through MCBS process.</p> |
| <p>There is no clear process for external stakeholders to participate in HCVF designation. How will/can the public nominate forests?</p> | <p>See CAR 2005.14</p> |

Staffing and Resources

| Comment/Concern | SCS Response |
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| <p>Resources and Staffing – the DNR is not telling the truth regarding their ability to manage given current resources. MCEA is concerned that two events are creating an environment where many good employees are losing their morale. First, there will be many retirees in the next few years taking with them the knowledge and skills needed for planning and contracts. Unless significant new hires can fill their shoes soon, the ability to accomplish all the planning and implementation necessary will be impossible. Second, the sheer amount of planning and reporting required is increasing faster than employees’ abilities to complete their work. Just the added requirements of responding to the FSC CARs have caused them to lose ground with their daily activities. One example is with harvest planning and the lack of integration with the ECS. Too few people are trained on and given the continuous planning required, the DNR generally does the planning as they go rather than one year out with respect to harvest planning. Enforcement is a second example. Any additional ATV patrolling takes them away from other important areas and yet the number of field officers is below what it was in the 1940s. Funding has increased in recent years but still does not keep up with need. The Law Enforcement division is best within the DNR but their morale is low.</p> | <p>See CAR 2006.4</p> |
| <p>Decision making responsibility of regional directors is not clear</p> | <p>Recommendation 2006.2</p> |

Miscellaneous

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| <p>DNR is not using a standardized and defensible process to select timber sales. Rather they are using old stand selection lists as part of the subsection planning process, which results in a) lower allowable cut, and b) lower quality trees being put up for harvest. The timber industry is hurting because of this, particularly in the current saturated timber market. The DNR has agreed to work with Howard Hogenson and Alan Ek of the University of Minnesota to rectify their stand selection with harvest schedule models developed at UMN.</p> | <p>Noted- this will be investigated further at the next surveillance audit</p> |
| <p>State in-holdings within federal roadless areas are a significant concern. Currently, there are plans to log</p> | <p>Just because an area was proposed to be part of the roadless area</p> |

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| <p>small tracts of state land within those forests, which would require substantial roads to be built, thus by default removing those lands from the roadless inventory.</p> | <p>designation does not mean that it currently did not or does not have roads/trails within them. In fact in the Superior National Forest, the proposed areas have many roads and trails within them.</p> <p>If it is necessary to cross federal lands in order to access a timber sale on state owned lands, the DNR must request a management access permit from the National Forest. A NEPA review of the request is done before granting this permit. If the permit is granted, and it is not to use an existing road or trail, all access routes would be obliterated once the management action is completed.</p> <p>Finally, DNR has a constitutional obligation to manage School Trust Fund lands to generate revenue for the Trust Fund.</p> <p>SCS will assess this situation in more detail in upcoming surveillance audit(s).</p> |
| <p>Referred to the 12-pt list developed from the MFI that calls for reopening of timber contracts because stumpage rates are too high, as well as request for increase in allowable cuts. Concerned that the DNR will merely react to requests for fear that MFI will seek legislatively mandated cut limits, rather than taking the lead in determining harvest levels based on scientific principles of sustainability.</p> | <p>This is currently under review by DNR</p> |

3.3 Controversial Issues

OHV Management is clearly the most controversial issue. A secondary controversial issue is the process for designating high conservation value forests. See discussion under CAR 2005.1 and CAR 2005.14 for details.

3.4 Changes in Certificate Scope

There are no changes in the geographic scope of the certificate.