



**FOREST STEWARDSHIP COUNCIL
UNITED STATES**

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FSC US Federal Lands Exploratory Committee Report February 21, 2012

This constitutes the report back to the FSC US board of the FSC US Federal Lands Certification Exploratory Committee.

A. Background

Prior to 2001, FSC US had established a moratorium on federal land certification at the urging of many stakeholders who felt certification of federal lands, especially the large BLM and USFS land holdings, was too controversial and would be premature, as FSC was just getting a foothold in the U.S. and the main focus was to develop standards for private lands and nonfederal public lands.

In 2001, as the standards process matured, the FSC-US Board of Directors requested that a FSC-US Federal Lands Committee examine federal public lands management with regards to certification. The committee examined the suitability of the then existing FSC US policy on federal lands, with regard to different federal ownerships, including: Department of Defense (DOD), Department of Energy (DOE), National Park Service (NPS), USDA Forest Service (USFS), Bureau of Land Management (BLM), US Fish and Wildlife Service (USFWS), and Bureau of Indian Affairs (BIA). At that time, the Federal Lands committee reported that federal lands certification threatened to fracture the FSC coalition in the US. Nevertheless, there were opportunities to test certification of some low-controversy federal lands, and to develop a policy for potential progress toward broader federal certification. Three thresholds were identified that would need to be met in order for federal lands to be certified:

1. The first threshold is “a willing landowner participating in the process”.
2. The second threshold is “public consensus concerning whether, where, and how much timber harvesting should occur on U.S. federal lands.”
3. The third threshold is that “certification of federal forestland will require national level indicators that can dress the special legal, technical, procedural and governance issues surrounding U.S. federal lands.”

Current FSC-US Federal Land Policy

As a result of the Feb 8, 2002 “Report on Federal Lands Certification and Policy” from the Federal Lands Committee, the FSC US Board of Directors adopted the current “FSC-U.S. Federal Lands Policy” on Feb 25, 2003. That policy describes with some detail how the three thresholds would be met:

Threshold 1-Willing Landowner: This direction deals with landowner willingness and authority to pursue certification.

Threshold 2 – Public Consensus on Timber Harvest Levels and other relevant major resource management practices: “Determinations of whether the second threshold has been met with regard to a given federal ownership category are to be made by the Board of FSC US.” Criteria and direction for determination are described.

Threshold 3- Special National Indicators: Requires satisfaction of thresholds 1 and 2 before the development of national indicators by ownership type. However, it does specify that informal discussions about management objectives and requirements for federal lands can be conducted prior to the satisfaction of the first two thresholds. Issues to be addressed are enumerated.

The FSC US Board appointed a federal lands committee, which developed standards for Department of Defense (DOD) and Department of Energy (DOE) landholdings, which were then approved by the Board on February 3, 2004. Following approval of these standards the DOD lands at Fort Lewis, Washington were certified under these standards as well as the PNW regional standard.

In addition, the FSC US Board allowed for certification to proceed on the Marsh Billings Demonstration Forest in Vermont, which is managed by the U.S. National Park Service. Marsh Billings was a special circumstance given its history and intent as a small demonstration forest, and it was specified that no other NPS landholding could be certified until the three thresholds were met.

In 2010, some USFWS in-holdings under long-term lease to the Minnesota DNR and located within the already certified land base of the Minnesota DNR forest land base were allowed to be included under certificate held by the MN DNR.

B. 2011 Exploratory Committee

In 2011, the FSC US board determined that it was time to conduct an analysis of the Federal Lands Policy, for the following reasons:

1. It may be outdated: The policies around federal lands certification issue were last discussed in any depth in 2001, almost 10 years ago.
2. FSC US has more experience and is a stronger organization than it was eleven years ago.
3. Federal land management has shifted towards a focus on restoration and adaptive management rather than being focused on programmatic timber harvest.

The board established a Federal Lands Certification Exploratory Committee in May 2011 with the following motion:

Motion: The Forest Stewardship Council – US Board of Directors will establish and appoint an exploratory committee to consider Federal Lands (USFS and BLM) certification. Fully appointed within 30 days, the exploratory committee should be comprised of six members including Board Members and other FSC Members, with representation from all three FSC chambers and a diversity of perspectives. The exploratory committee will develop a charter including objectives, work plan, and timetable. The work plan should include the following steps: 1) a process for stakeholder consultation at a regional level; 2) a review of the current FSC-US Federal Lands policy for its relevance and utility and, based on that review, possible recommendations for revisions; and 3) should the results of steps 1 and 2 indicate that it is appropriate, identification of a working group to develop standards for USFS and BLM Federal Lands. The exploratory committee will report to the FSC-US Board of Directors upon completion of the work plan and seek its approval prior to implementation.

In September 2011, the FSC US board approved the following members and stakeholders as part of the Exploratory Committee:

Environmental Chamber

Alex Brown, BARK

Susan Brown, Western Environmental Law Center

Fran Price, The Nature Conservancy – Committee Co-chair (also FSC US BOD)

Economic Chamber

Paul Harlan, Collins Pine – Committee Co-chair
Fred Souba, NewPage Corporation

Social Chamber

Lynn Jungwirth, The Watershed Center (also FSC US BOD)
Bill Wilkinson, BBW Associates, Professional Forester (also FSC US BOD)

Over the course of the next several months, through a series of calls and one in-person meeting, the 2011 FSC US Federal Lands Exploratory Committee put together: 1) a work plan; 2) a survey of FSC members, certificate holders, and other stakeholders to better understand where individuals and organizations stand on the issues, major concerns, and/or benefits of moving forward with reconsideration of the current policy; and 3) a package of background documents on the issue. The committee's work culminated in an in-person meeting Jan 4-5, 2012 in Portland, Oregon. The first day of the meeting was spent hearing from and asking questions of a variety of experts with a range of perspectives on federal lands certification. The second day was spent discussing concerns and benefits about certification of federal lands in general, some discussion of the policy specifically, as well as options for the board to consider to move the issue forward.

C. Committee Findings

At the in-person meeting, there was a clear difference of opinion regarding possible revision of the standing policy.

Five members of the Exploratory Committee were supportive of changing the policy for the following primary reasons: 1) they thought the policy was fundamentally unfair in that it disallows a whole class of landowners from pursuing certification; 2) allowing the multi-stakeholder, consensus-based, standards development process to move forward could lead to a common vision for federal lands; and 3) if standards were created and federal land managers chose to adopt those standards, FSC certification could improve management on those lands, as well as encourage certification and management improvements on adjacent private lands.

Two members of the committee, representing the environmental chamber, did not want to consider specific language changes and thought the existing thresholds were still important. These two members were concerned specifically about the following: 1) the ability of federal land managers to implement a robust and credible certification process even if one was offered up to them; 2) creating a potential incentive for more timber harvest on federal lands; and 3) a national discussion on federal lands management could be detrimental to FSC US in that it would use resources better devoted to other issues, and could be exacerbate or create divisions within National Forest stakeholders.

Given that there was no consensus reached on changing the policy language, the committee wanted to provide clear documentation of why it could not reach consensus. Below are members' detailed reasons for seeking or not seeking policy change.

Reasons Not to Change the Standing Policy

- **Discomfort in “primacy of timber”.** There is a perception on the part of certain committee members that because typically only one product – timber – gets labeled as certified, that the focus of FSC is largely on that one good coming from the forest. This concern extended to questioning how certification fits in with agencies’ multiple use mandate. There was also a concern expressed that timber harvest could increase to pay the added costs of certification.
- **FSC not equipped to transform federal land management processes.** There was discomfort about the relationship between FSC and the existing statutory/regulatory framework and the concern that FSC might preclude the application of existing legal frameworks. There was also concern expressed about the ability of the USFS and BLM to follow existing laws, let alone another layer of requirements.
- **For FSC, risk/reward doesn’t match.** It was perceived by these same stakeholders that pursuing this direction would yield little value to FSC, yet it would pose huge risks for the organization. It was suggested that there are significant pitfalls in this effort and that the board needs to take time to understand these so that it can weigh the factors and make an informed decision.
- **Greenwashing.** Committee members expressed concern about the prospect of getting one or two exemplary forests certified. This could be deemed greenwashing, given that the whole system of federal land management is considered broken by many.
- **Difficulty of seeking consensus among the American public.** There was a concern expressed around the process to manage and seek consensus for 300 million stakeholders and a suggestion that there needs to be a better defined mechanism for finding and engaging the correct communities and groups.
- **The major federal land managers don’t “deserve” certification.** The brand of FSC could quickly be damaged by opening the door to a bad player.
- **Deadlines are concerning.** FSC can’t rush through this; it needs to make sure to do this right.
- **Questions about the interplay between FSC standards, certification, and accountability.** There was a concern about the capacity of FSC to work with and not preclude existing laws and processes, as well as a question of whether CBs will be able to withstand the political pressure if termination of certificates under cases of non-conformance is appropriate. There were also questions about exempting the USFS/BLM from requirements based on budgetary constraints or changing mandates and the inability of federal land managers to address CARs. Finally, there was a question about the role of the agencies in the standards development process (i.e., whether the agencies would be at the standards development table).
- **Adequate engagement of the environmental community.** There was a concern that the environmental community doesn’t have time to adequately engage in the standards setting process, and that if the standards setting process moves forward without the right people and time, the standards will not be as robust as they need to be.

Reasons to Change the Standing Policy

- **Fundamental unfairness of disallowing one class of landowner access to certification.** The most basic argument for revisiting the language in the FSC US Federal Lands Policy is that the current language (threshold 2) functions as an unachievable barrier for federal lands regarding certification, resulting in a situation viewed as an unfair categorical exclusion by ownership class. This is unprecedented in the FSC system. Further, the policy is viewed by many as disingenuous; some committee members felt that there is no way to reach public consensus on the amount of timber harvesting that should take place on USFS and BLM lands. Nor is that the role of FSC. What the FSC could do, if certain elements of the policy are changed, is to bring its multi-stakeholder consensus driven standards process to bear on federal lands, which could help reach such a consensus. The announcement of the Canadian Boreal Forest Agreement, which is resulting in certification of huge acreages of Crown lands moving forward, with much of the timber exported to the U.S., further highlights this issue of unfair access. This “unfair” exclusion of federal lands certification affects not only the landowner’s access to certification but also the communities that depend on and/or are impacted by federal land management decisions.
- **Maturation of federal lands objectives.** The goals of federal land management in many agencies are moving from “sustainable timber supply” to “ecosystem resilience”. Forest resilience in the face of climate change has moved many environmental groups to help develop appropriate active management principles and prescriptions, particularly for fire-adapted ecosystems. Likewise, the forest industry has developed capacity to implement forest restoration treatments and is currently moving into small diameter utilization for lumber, densified forest products, and energy. Forest communities have developed their capacity to participate in collaborative planning, workforce and contractor development, and appropriate scaled utilization of federal lands forest products. Since 2002, the Strategic Plans of many federal land management agencies (including USFS and BLM) have focused on forest health, ecosystem restoration, and recreation management, not timber harvest. National Forest Policy is dominated by the National Fire Plan and guidance policies on forest restoration, carbon management and climate change. Many national environmental groups have actively engaged in place-based collaboratives to develop responsible plans for active federal forest management for forest health and restoration goals.
- **Opportunity to improve management of federal lands and attain conservation goals.** FSC is an excellent tool to improve management of federal lands through facilitation of stakeholder consultation, verification of legal compliance, ensuring forest health, ensuring ecological considerations of forest management (e.g. RSA, old growth, HCVF, etc.), ensuring social considerations of forest management (e.g. recreation and other uses), etc. These ideas were supported throughout the discussions by many on the committee.
- **Consensus-building processes have emerged around stewardship and restoration of public lands.** FSC could help recognize and fuel the replication of those processes. Since 1998 the Stewardship Contracting authorities of BLM and USFS have required a collaborative process and multi-party monitoring. Since 2002, both the BLM and the USFS have increasingly moved to “collaborative stewardship”, “collaborative restoration”, and are working with forest-based multi-stakeholder groups to develop consensus and define restoration principles and goals. In 2009, Congress passed the “Collaborative Forest Landscape Restoration Act”, further directing collaborative forest management with the support of national environmental groups, public land communities, and the forest industry.

- ***FSC's organizational capacity is considered adequate to address Federal Land certification.*** FSC as an organization has grown and stabilized to the point where its fundamental stability is not threatened by addressing the concepts associated with development of a standard for certification of federal lands.
- ***The current Policy tarnishes FSC's image among state and federal agencies as well as private organizations.*** To many of our partners, stakeholders, members, and certificate holders, the categorical exclusion of federal lands certification is an embarrassment that erodes our overall system integrity.
- ***USFS and BLM access to certification can compel complementary improvements and certification of private forestland.*** Where USFS and BLM lands have access to certification it could provide focal points for certification of proximate private lands. Local mills would have more reason to get COC certified, thus providing market linkages and access to other landowners.

D. Suggested Options for the FSC US Board

While there was no consensus reached on changes to the policy within the Exploratory Committee, there was some agreement about ways to move forward in the interim. The following were offered as suggestions to the FSC US Board for considerations by the Committee. Each suggestion clearly states the level of Committee support.

1. Develop informal and exploratory requirements. Already, the existing policy allows for internal explorations on standards to take place. *"Informal discussions about management objectives and requirements for federal lands may be conducted prior to the satisfaction of the first two thresholds."* It is difficult for the Board and stakeholders to make informed decisions without a sense of what indicators might look like. This would not be a surrogate for a full standards process, but might allow the board to gain comfort with changing the policy and allowing such a process to take place. This recommendation was supported by the full committee, although most committee members would prefer a modification of the policy to this option.
2. Take a look at certification on a selected forest based on local conditions that the board can potentially approve as conformant to the existing policy. In other words, explore certification on 1-2 National Forests where there is consensus around management objectives at the local level. (This was not supported by one member of the committee from the environmental sector.) To carry out this recommendation, a CB could create an interim standard based on guidelines provided by FSC US, the Additional Considerations put together by the Pinchot Institute's consultative process during the USFS certification pilots, and with input from FSC US.
3. Modification of threshold two from the Federal Lands Policy (subsuming to threshold three) would allow a process to explore new way of dialogue and decision-making in federal lands management. This is the preferred option by most members of the committee. It was noted that the proposed language doesn't forgo the commitment to consensus; in fact, it allows the FSC consensus-seeking standards process to take place. (This was not supported by two members of the committee from the environmental sector.)
4. Modify Threshold Two of the policy and explore collaboration and consensus at the local level, meaning seeking consensus at the level of one or two National Forests where there is general support across chambers for the management approach on that forest(s). (This was not supported by two members of the committee from the environmental sector.)

5. Seek/request responses from pilot National Forests for their responses to the findings in the pilots as a way to see if/how management has changed. This could include a stakeholder engagement exercise to ask local citizens about the USFS progress on CARs. (The entire committee supported this.)
 - How has management changed to address the issues raised by CARs for a given forest?
 - What was the motivation for this change?
 - If some CARs have not been addressed, why?

Additional short-term and long-term solutions were also recommended by certain committee members. These included the following:

1. Knowledge/education. It was clear that there is a lack of understanding within the several stakeholder groups of the issues surrounding potential federal lands certification and of how FSC functions. There needs to be a better understanding of the FSC process, including checks and balances, accountability, and the certification process, within the advocacy community. Several venues for outreach were suggested, including:
 - Environmental law conference in Eugene (first week in March)
 - Field trips with activist community and federal forest managers to better understand auditing process and FSC certification
2. Research
 - As mentioned above, development of informal draft indicators, as allowed under the current policy, would be helpful in outlining the safeguards that could be incorporated into standards.
 - Also mentioned above, seeking/requesting responses from pilot National Forests to assess if/how those forests have responded (or might respond) to the findings in the pilots, would be a good indicator of willingness and capacity to engage on the part of federal land managers.
 - It was suggested that the US FSC Board put thoughtful consideration into assessing FSC's capacity to withstand the challenges/stresses associated with this effort. Is FSC mature and strong enough as an organization to play in this game? Would FSC's organizational capacity need to change? If so, how?
3. FSC engagement with federal lands managers. It was suggested that FSC should interact directly with agencies to better understand federal land management and the existing legislative and regulatory context for management, and to establish networks within that community. One specific suggestion was for FSC staff to participate in the National Forest Management Act (NFMA) process.

E. Closing Committee Agreements / Comments

Members of the committee agreed on several fronts about:

- There is recognition of the unique role that US Federal lands play in our society and even internationally.
- There is the desire to seek constructive solutions to improve USFS/BLM processes and actions.
- There is the desire to seek equivalence of values associated with federal lands (recreation, timber, fisheries, water, etc.)
- There is also recognition that FSC is not a silver bullet and cannot solve all the problems associated with federal lands management.
- It is recognized that there is a wide variation in the willingness or capacity of agency personnel at different locations to respond to potential FSC certification. For instance, some national forests or ranger districts may be able to demonstrate general consensus by stakeholders as to their current management.
- Finally, there is recognition that any FSC stakeholder-driven effort will require significant fundraising to allow for appropriate engagement across chambers.

Most members of the committee feel that it is critical to keep things moving on this issue. However, it was suggested that this group has probably done all that it can do in terms of the tasks that were asked of it. The next actions would likely need to start with a clean slate, although future efforts could potentially draw from this group.

Respectfully submitted to the FSC-US Board

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