



FSC US Controlled Wood National Risk Assessment for Alaska & Hawaii

Public Consultation Webinar
November 20, 2019

Antitrust Statement

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Webinar Overview



- Introduction & Background
- Risk Assessments by Controlled Wood Category
- Proposed Mitigation Approach
- Next Steps & Timeline

Introduction & Background



Forest Stewardship Council



- FSC promotes responsible forest management
- Not all forest owners are able or willing to certify their forests
- FSC allows mixing of non-certified & FSC-certified forest materials, if certain conditions are met
- Certificate holders must control non-certified materials by assessing for certain risks and mitigating those identified

FSC Controlled Wood Categories



1. Illegally harvested wood
2. Wood harvested in violation of traditional & human rights
3. Wood from forests in which high conservation values (HCV) are threatened by management activities
4. Wood from forests being converted to plantations or non-forest use
5. Wood from forests in which genetically modified trees are planted

Controlled Wood Standard (FSC-STD-40-005)



Requires certificate holders to implement and maintain a due diligence system (DDS); a system of measures and procedures to minimize risk

- Information gathering
- Risk assessment
- Risk mitigation, if needed

National Risk Assessments (FSC-PRO-60-002a)



REQUIRED:

- Assessment of the risk of sourcing ineligible materials in the 5 CW categories and definition of areas where the risk is not low (i.e., specified)

OPTIONAL:

- Definition of recommended or mandatory control measures to be implemented in areas where the risk is not low to:
 - 1) avoid unacceptable materials, or
 - 2) mitigate the identified risk
- Descriptions of verifiers that can be used by a company to demonstrate that a control measure is adequate/effective

Remember!

Low Risk \neq No Risk

Mitigate \neq Eliminate

US National Risk Assessment – Part 1



- Assessment of risk in the conterminous United States
- Alaska, Hawaii & US Territories not addressed
- Approved April 5, 2019

US NRA-Part 2: Alaska & Hawaii



- Initiated at the request of certificate holders
- Few known US certificate holders with CW in scope, but a number are critical in their supply chains
- US NRA-2 significance may be greater for certificate holders in Canada (AK) and overseas (AK & HI)
- Volume, extent of harvesting much lower than conterminous US

Risk Assessments by Controlled Wood Category



Proposed Risk Designations by CW Category

	1-Legality	2-Rights	3-HCV	4-Conversion	5-GMO
Alaska	Low	Low	Specified	Low	Low
Hawaii	Low	Low	Specified	Specified	Low

NOTE: ‘Specified’ indicates that a portion of the state is proposed as specified risk, not the entire state.

Category 1: Legality

Proposed: **LOW RISK for AK & HI**

- 21 indicators that address:
 - Legal Rights to Harvest
 - Taxes & Fees
 - Timber Harvesting Regulations
 - Third Parties' Rights
 - Trade & Transport
 - Due Diligence/Due Care
- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii

Category 2: Traditional & Human Rights



Proposed: **LOW RISK for AK & HI**

- 3 indicators that address:
 - Violent armed conflict
 - Violations of labor rights, including ILO Fundamental Principles & Rights at Work
 - Violations of indigenous and traditional peoples' rights
- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii, but additional information gathered at state scale

NOTE1: Risk determination is specific to the forest sector.

NOTE2: Concerns have been raised regarding the Category 2 assessment for Alaska related to indigenous peoples' rights; additional information is being collected.

Category 5: Genetically Modified Trees

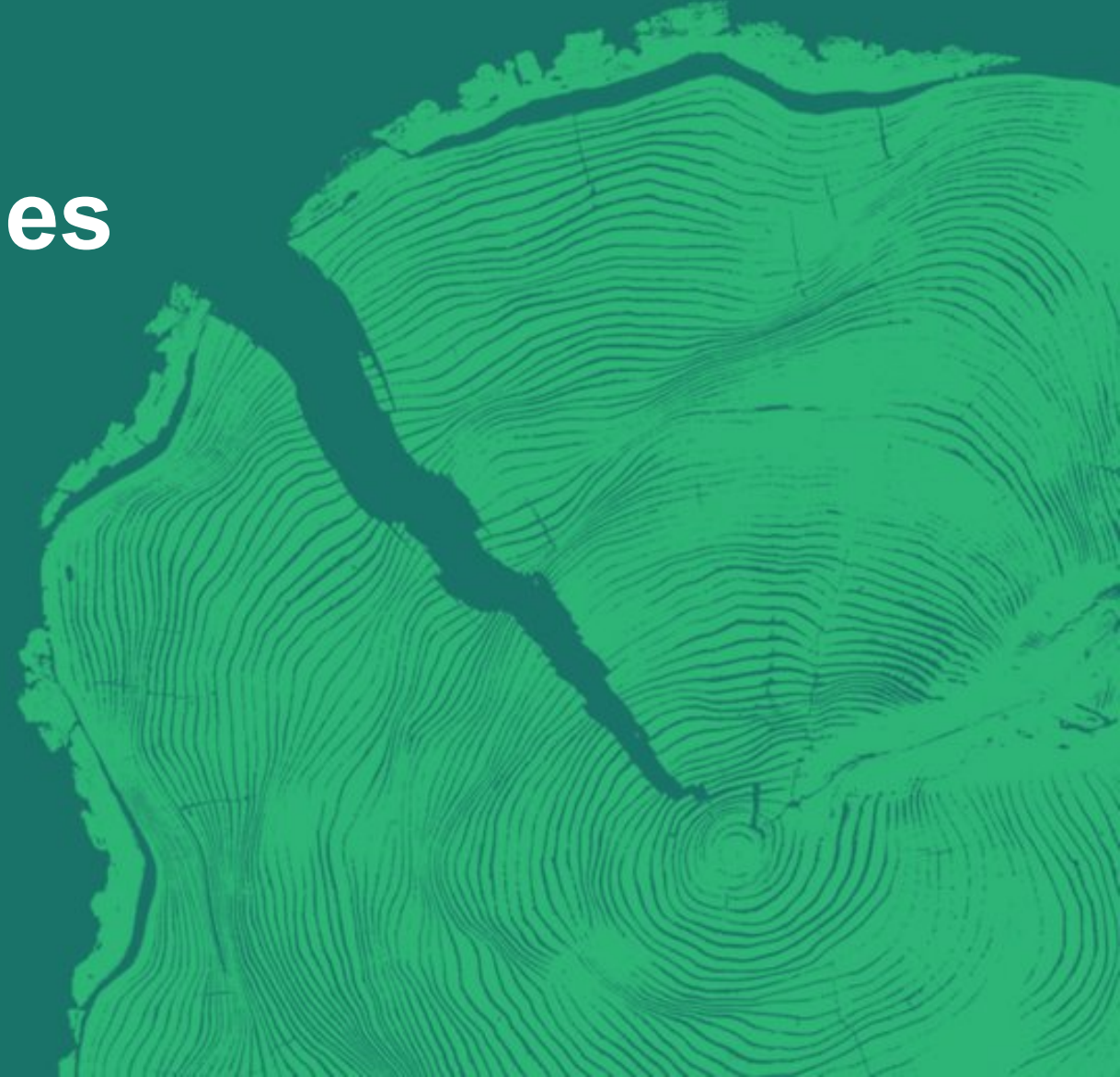


Proposed: **LOW RISK for AK & HI**

- 1 indicator: There is no commercial use of genetically modified trees.
- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii

NOTE: GMO papaya trees are found in Hawaii, but use is limited to agricultural production, not forest management.

Category 3: High Conservation Values



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1. Does the HCV occur in the area under assessment?
2. Is it threatened by forest management activities?
3. To what extent is the HCV threatened?
 - Frequent or infrequent?
 - Systemic or isolated?

NOTE: 'Threat' refers to common forest management activities that cause or may cause loss or degradation of HCVs in the area under assessment.

Proposed Risk Designations by HCV Type

	1-Species Diversity	2-Landscape Forests	3-Rare Forests	4-Critical Services	5-Basic Needs	6-Cultural Values
Alaska	Specified	Low	Specified	Low	Low	Low
Hawaii	Specified	Specified	Specified	Low	Low	Specified

HCV 1 – Concentrations of Biodiversity



Concentrations of biological diversity including endemic species, and rare, threatened or endangered species (RTE) that are significant at global, regional or national levels.

- Significant concentrations of RTE or endemic species
- Habitat critical to the survival of these species
- Globally, regionally or nationally significant

NOTE: Assessment methodology follows US NRA-Part 1, focusing on Critical Biodiversity Areas (CBA) and individual species

HCV 1 – Methodology: Critical Biodiversity Areas



1. Identification of HCV

- NatureServe’s rarity-weighted richness dataset
- Areas with the highest concentrations of rare species, weighted by species’ ranges (greater weight for more limited ranges)

2. Threats Assessment

- Centered on habitat types that drive biodiversity within CBA
- Many sources of information

HCV 1 – CBA Risk Designations



Proposed: **SPECIFIED RISK** for portions of AK & HI

Alaska

- Non-federal, unprotected lands in Southeast Alaska
- White spruce floodplain forest near Fairbanks (Interior Alaska)

Hawaii

- Privately owned forest lands within ecozones with identified threats from forest management that are not effectively protected

HCV 1 – Methodology: Individual Species



1. Identification of HCV

- Imperilment: NatureServe's dataset filtered for US vertebrate G1/S1 and G1/S2 species not ranked S4 or S5 in any state
- Forest-dependent: Species filtered for upland and lowland forest habitats using NatureServe and other data sources

2. Threats Assessment

- NatureServe, USFWS and other data sources

HCV 1 – Species Risk Designations

Proposed: **LOW RISK for AK & HI**

Alaska

- No species met criteria

Hawaii

- 10 species met criteria
- Threatened by predation, disease, invasive species and climate change, but not forest management

HCV 2 – Landscape Level Ecosystems & Mosaics



Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels
Significant concentrations of RTE or endemic species

- Contain viable populations, in natural patterns, of most species
- Typically >50,000 ha, but could be less
- Typically far from human settlement, roads, other access, but could be closer if providing key landscape functions that maintain larger areas (e.g., connectivity or buffering)

HCV 2 – Methodology



1. Identification of HCV

- Alaska: Greenpeace/WRI dataset of Intact Forested Landscapes used as a proxy
- Hawaii: No IFL, but forest identified that provides key landscape functions that maintain larger areas

2. Threats Assessment

- PAD US spatial dataset & other information sources

HCV 2 – Risk Designations

Proposed: **LOW RISK for AK**
SPECIFIED RISK for portions of HI

Alaska

- IFL loss linked to wildfire, not forest management

Hawaii

- Forest lands within ecozones with identified threats from forest management that are not effectively protected

HCV 3 – Rare Ecosystems & Habitats



Ecosystems, habitats or refugia that are rare, threatened, or endangered

- Primary forest and old growth
- Roadless areas greater than 500 acres or that have unique attributes
- Regional priority forest types

NOTE: Roadless areas in Alaska assessed with HCV2

HCV 3 – Methodology



1. Identification of HCV

- Alaska: Potential for old growth forest; ‘Alaska’s Ecosystems of Conservation Concern’
- Hawaii: All native forests are rare, regardless of successional stage; any remaining roadless areas would occur within native forest

2. Threats Assessment

- PAD US spatial dataset & other information sources

HCV 3 – Risk Designations

Proposed: **SPECIFIED RISK** for portions of AK & HI

Alaska

- Forests with a high likelihood of old growth that are accessible for forest management and are not effectively protected

Hawaii

- Native forest within ecozones with identified threats from forest management that is not effectively protected

HCV 4 – Critical Ecosystem Services



Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

And where disruption of that service poses a threat of severe, catastrophic or cumulative negative impacts on:

- The welfare, health or survival of local communities
- The functioning of important infrastructure (roads, dams, reservoirs, hydroelectric schemes, irrigation systems, buildings, etc.)
- Other HCVs

HCV 4 – Risk Designations



Proposed: **LOW RISK for AK & HI**

- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii

HCV 5 – Community Needs



Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (e.g., for livelihoods, health, nutrition, water, etc.)

- Harvest of food products from the forest, or collect building materials or medicinal plants where no viable alternative exists
- Does not include forest uses such as recreational hunting or commercial timber harvesting (i.e., not critical for local building materials)

HCV 5 – Risk Designations



Proposed: **LOW RISK for AK & HI**

- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii
- Additional state-level protections exist for subsistence rights of Alaska Natives and Native Hawaiians

HCV 6 – Cultural Values



Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples

- Religious/sacred sites, burial grounds or sites at which regular traditional ceremonies take place
- Outstanding natural landscapes that have evolved as a result of social, economic, administrative, and/or religious imperative (i.e., fossils, artifacts, areas representing a traditional way of life)
- Areas that by virtue of their natural properties possess significant religious, artistic or cultural association

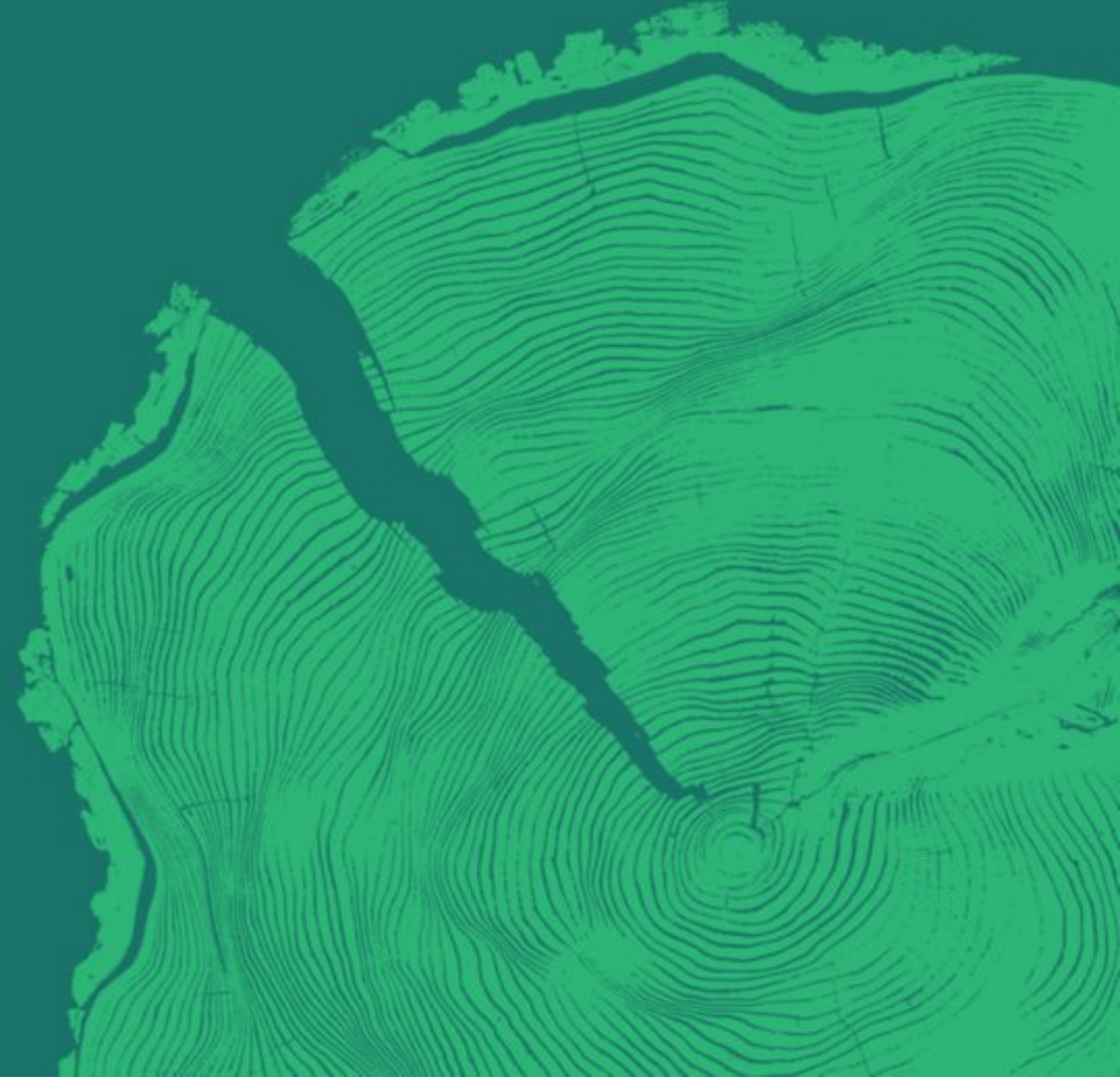
HCV 6 – Risk Designations



Proposed: **LOW RISK for AK**
SPECIFIED RISK for portions of HI

- US NRA-Part 1 assessment completed at a national level – applies to Alaska & Hawaii, but additional state-level assessments and consultation completed
- Alaska: Additional state-level legislative protection for areas of critical cultural significance to Alaska Natives; consultation did not identify additional concerns
- Hawaii: Additional legal structures in place to protect Native Hawaiian cultural and sacred sites, but consultation indicates concerns regarding protection and access, and regarding effectiveness of the legal structures

Category 4: Forest Conversion



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For the purposes of the NRA, forest conversion is defined as land that moves from natural or semi-natural forest cover to plantation or a non-forest use

- The cause or driver of the conversion is not relevant
- “Plantation” lacks most of the key elements and principal characteristics of a natural forest
- FSC does not consider all planted stands to be plantations

Category 4 – Methodology



1. Are there regulations or laws in place that limit conversion?
If so, are they enforced?
2. If there evidence that conversion in the assessment area does not exceed the FSC-established threshold?
Threshold: > 0.02% or 5000 hectares average net annual loss for the past 5 years (whichever is less)
3. Is there evidence of significant economic drivers or that it is occurring on a widespread or systemic basis?

Category 4 – Risk Designations

Proposed: **LOW RISK for AK**
SPECIFIED RISK for portions of HI

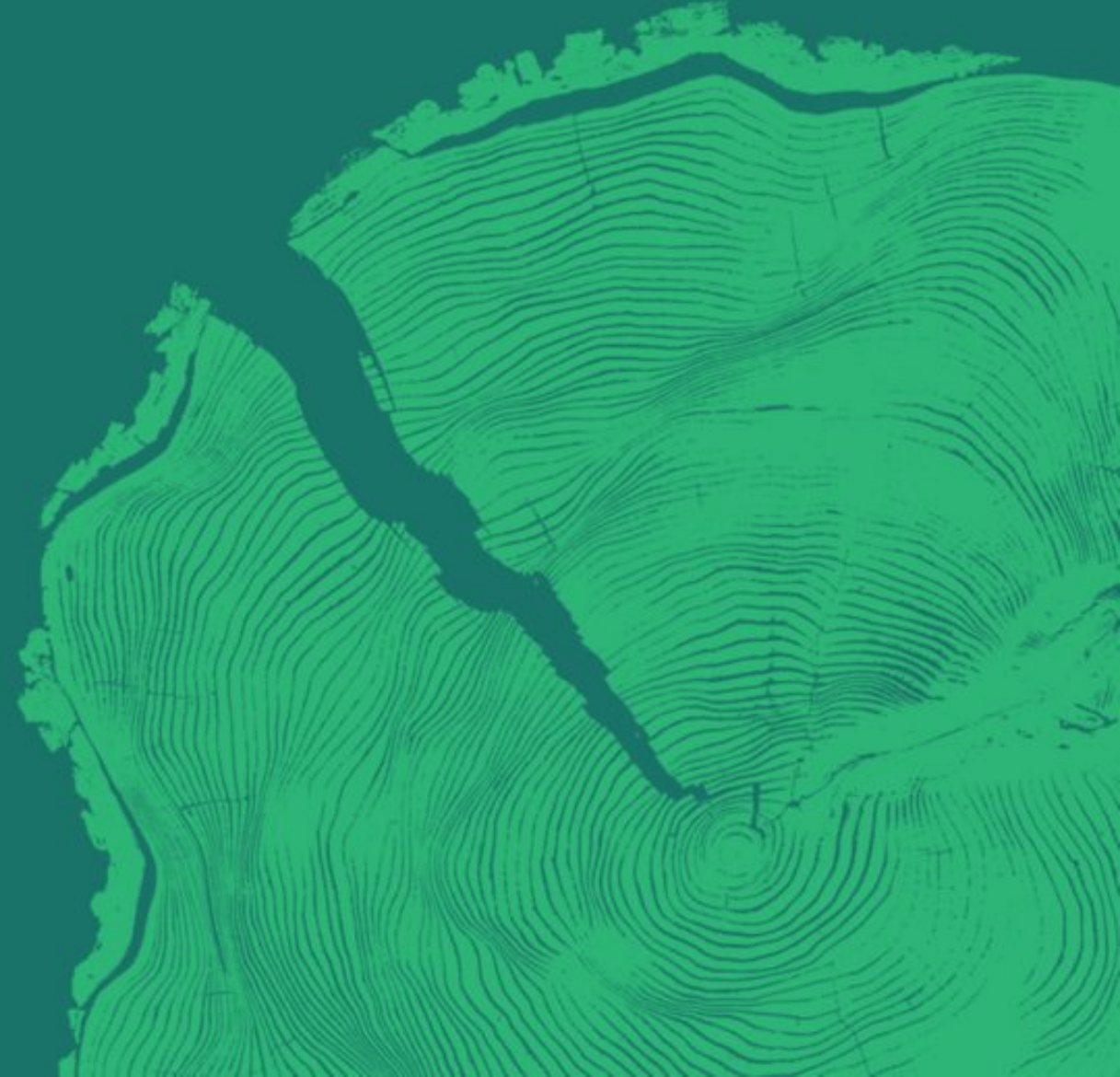
Alaska

- No state legislation that limits conversion
- Forest loss linked to wildfire, not considered permanent
- No evidence of plantations being a driver for conversion

Hawaii

- Evidence that forest conversion is occurring
- State law protects forest from conversion in Conservation Districts

Proposed Mitigation Approach

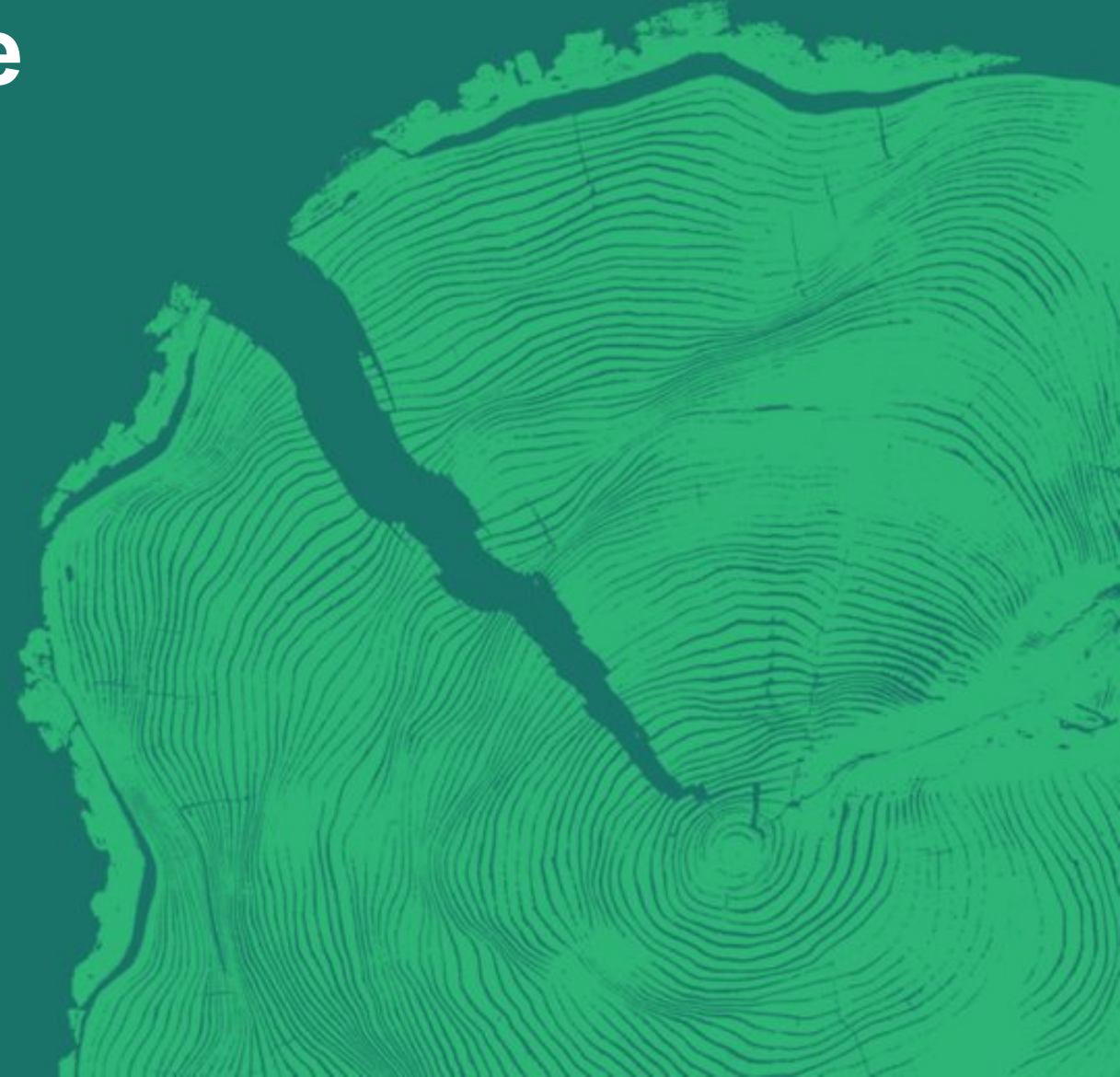


Proposed Mitigation Approach



- US NRA-Part 1 mitigation approach based on the potential for landscape-scale change from collective impact of many companies
- Very few companies known to source controlled wood from AK or HI, so collective impact would be very low
- Focus instead on providing flexibility, with no proposed mandatory control measures
- Development of control measures and demonstration of their adequacy would be the responsibility of the certificate holder

Next Steps & Timeline

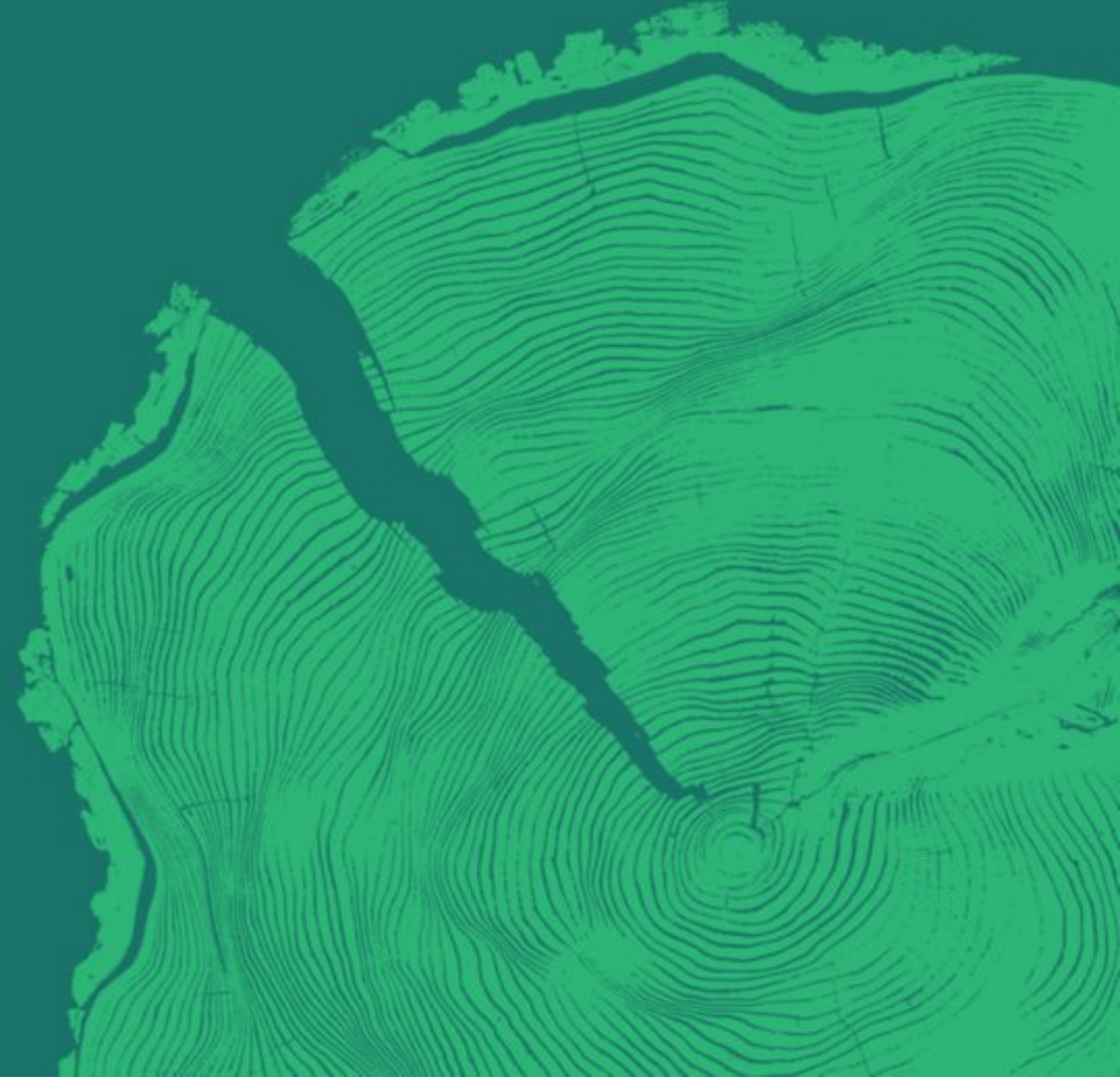


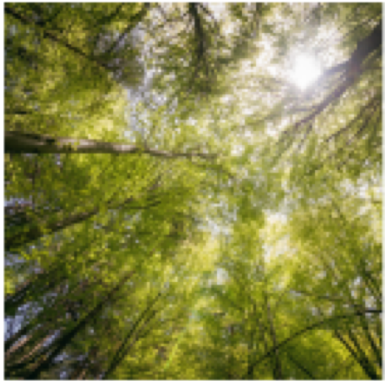
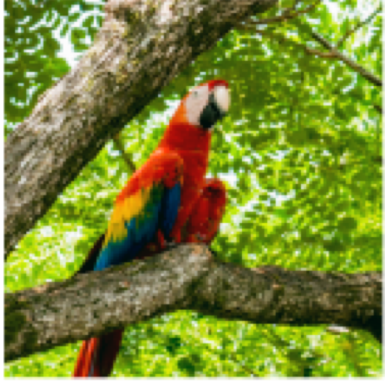
US NRA-2: Alaska & Hawaii



- Consultation ongoing, through December 23, 2019
- Evaluation of comments received, WG revisions, FSC US Board approval & submission to FSC International in Q1 2020
- Anticipated final approval and publication in late-Q1/early-Q2 2020
- 6-month transition period begins at time of final approval

Questions?





THANK YOU!

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