

Forest Certification

And Its Implications for America's National Forests

QUESTIONS AND ANSWERS

This Q&A paper provides basic background information on this issue, including the history of the U.S. government's involvement, describes the steps the Forest Service will take next, weighs some of the potential pros and cons of National Forest certification, and addresses several additional questions of particular importance. As the issue continues to evolve, further information and updates will be provided.

BACKGROUND AND HISTORY

1. What is forest certification?

Forest certification is a non-regulatory means of promoting responsible forest management practices, and is one of the most significant innovations in forestry of the last quarter century. It was developed in the 1990s by a variety of non-governmental interests around the world who sought new approaches for improving forest management. Certification was designed to provide assurance by an independent, third party that a forest management operation meets standards set by a particular certification program. It is normally open to all types of landowners, who apply voluntarily to have their forests assessed to determine whether they meet the standards. The most credible standards typically cover a comprehensive range of environmental, social and economic attributes, and establish requirements not only for planning and management systems, but also for measurable performance on the ground. Although the harvesting of timber or non-timber forest products is not necessarily required, certification is usually associated with the eco-labeling of such products, and with "chain-of-custody" certification which ensures that the labeled products originate in a certified forest, thereby creating a market-based incentive for good forest management.

While there are four certification programs operating in the U.S. today, the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) are the two major programs and are most suitable for large areas of public lands. The area of SFI and FSC certified forests in the U.S. has increased from virtually none in 1998 to over 60 million acres today. Over 14 million acres of primarily state-owned public lands have been certified in the U.S., mostly to both SFI and FSC standards.

2. What has been the role of the U.S. government in certification to date?

Internationally, the U.S. government, through such agencies as the State Department U.S. Forest Service and the U. S. Agency for International Development, has been active in numerous forest policy arenas where certification has been extensively discussed over the last decade. Throughout this period, the basic U.S. approach has been to regard certification as an important market-based tool to promote and create incentives for the improved management of forests, and as a private sector activity that should remain independent of government. Accordingly, while it is appropriate for our government to establish national legal and institutional frameworks to encourage responsible forest management, U.S. government agencies believe that it would be

inappropriate for them to endorse, or be perceived to endorse, any particular certification program, or to set standards or policies for such programs.

The U.S. has long sought to encourage and assist other countries in building their legal and institutional capacities to improve the management of their forests. Many countries have expressed interest in certification as a means of such improvement, and much of the land certified worldwide to date is owned by national governments. The International Programs office of the Forest Service has been actively supporting international partners in their efforts to improve forest management and monitoring and has provided technical assistance to that end in numerous countries, including Mexico, Honduras, Brazil, Bolivia, Peru, Guyana, Russia, China, Indonesia, Cameroon, Liberia, Ghana, and Gabon. In many instances, these improvements have allowed land owners to pursue independent certification. Increasingly, countries that have worked closely with the U.S. on these issues over the years have asked why our National Forests have not been certified.

3. What is the history of Forest Service interest in the question of National Forest certification?

The Forest Service's interest in forest certification began to develop in the 1990s, both domestically and internationally. However, at that time FSC auditors had little experience on public lands and SFI had not yet launched a third party certification program. In the late 90s, the FSC also developed a Federal Lands Policy which set some special conditions that would need to be met before the FSC would be willing to consider National Forests to be open to certification assessment.

During this time, Forest Service policy has been to not seek certification for National Forests, and this policy is still in effect. Nevertheless, over the years the Forest Service has been approached by various outside organizations and communities who have encouraged the agency to explore certification, and some have suggested carrying out pilot tests of certification on National Forest System (NFS) lands. As certification has become more widespread globally among landowners of all types, and as more questions have been raised internationally about why our National Forests are not certified, the Forest Service decided in 2005 to participate in an independent pilot study involving five units of the NFS.

The study was funded mostly by Forest Service appropriations (except for contributions from the non-profit Heinz Foundation and the Collins Pine Company to cover the costs of the certification audits on two of the study units). The study was carried out by the Pinchot Institute for Conservation, an independent non-profit research and education organization. The Pinchot Institute used existing SFI and FSC standards to assess the current management of the five units (although the tests were completely independent of SFI and FSC and were not designed to lead to actual certification). A number of additional considerations were added to the standards to reflect the unique role of National Forests in America. The goals of the study were to see how current NFS management aligned with the two sets of certification standards, and to enable the Forest Service to more effectively evaluate the benefits and costs of certification as it develops related policy and management options for the future – including whether to formally pursue certification.

The final report of the Pinchot study was released in October 2007 and is available at: <http://www.fs.fed.us/projects/forestcertification/index.shtml>.

NEXT STEPS AND PROCEDURES

4. What will the Forest Service do next?

Although the results of the Pinchot pilot study were very encouraging, the Forest Service has not yet decided whether it will seek certification for the National Forest System. The Forest Service already has what it believes are the most comprehensive laws and regulations for forest management in the world, and the National Forests and Grasslands are already managed in a transparent public process which is also subject to judicial review in the Federal courts. Certification would present some challenges, as well as some costs, risks and uncertainties, but also several potentially significant benefits.

The next step will be for the Forest Service to further evaluate the potential costs and benefits, and to seek the views of stakeholders and other interested parties to promote a broader and deeper dialogue on the question of certification as it relates to National Forest lands.

5. If the Forest Service were to seek certification of NFS lands, what process would need to be followed?

If the Forest Service were to decide to seek certification, several things would need to happen. First, both the FSC and SFI certification programs would need to make a number of internal policy decisions.

SFI has already expressed a willingness to work with the Forest Service to certify NFS lands, but SFI would likely need to consider how certain elements of its standards would apply to such lands. With respect to the FSC, the pre-conditions in its Federal Lands Policy, which apply to any federal land management agency or system seeking FSC certification, would have to be met. The three conditions are: (1) a willing landowner, e.g., the Forest Service; (2) a determination that public consensus exists regarding management of the NFS; and (3) development of a set of new standards specific to the NFS to more effectively evaluate its unique legal, procedural, and governance mandates and structure. To date, none of these FSC conditions have been met.

In addition, a landowner seeking SFI or FSC certification must formally commit to reporting and management measures specific to each certification program. How and whether the Forest Service could make these commitments would need to be determined.

SOME PROS AND CONS

6. What might be some of the benefits and costs of NFS certification?

Potential **benefits** of NFS certification could include:

- Certification would provide independent review of NFS management practices by a credible third-party organization, giving the Forest Service another perspective on how its management compares with the current ‘state-of-the-art’, enhancing NFS quality control, and helping the general public better understand and assess how National Forests are managed.

- Certification could result in management improvements. For example, if an independent certification audit team identifies management weaknesses that need to be corrected before the forest could be certified, the Forest Service may decide to make such improvements. If the forest is certified with conditions attached, called ‘Corrective Action Requests’, the Forest Service would be required to take the corrective actions in order to maintain the certification. Finally, once corrective actions are recommended by a credible, independent auditor, stakeholders and the Congress may have an incentive to support and encourage the Forest Service to take such actions.
- The addition of certified forest product supply from National Forests could help expand the market for such product, thereby providing additional certified market opportunities for the private sector and further incentives for management improvements on privately-owned forests.
- Becoming certified could increase the credibility and influence of the Forest Service’s work with other countries to help improve the management of forests around the world.

Potential costs of NFS certification could include:

- The FSC’s special standards for NFS lands may end up being inconsistent with existing management plans and/or federal resource management policies.
- After the Forest Service commits to certification, FSC or SFI may modify their standards or change their requirements in other ways, complicating compliance and increasing costs.
- Meeting certification standards may add procedural burdens to existing NFS management systems. There are also requirements that the landowner make various formal commitments to FSC and SFI as a prerequisite to becoming certified, and the full implications of these commitments are not yet understood.
- The direct monetary costs of a certification audit, and of Forest Service staff preparation for it, are not insignificant. Based on the Pinchot study experience, costs would include the initial certification audit (\$70-80 K per National Forest); annual audits (c. \$20K per year); a full re-audit every 5 years (c. \$60-70 K); some additional annual monitoring and paperwork requirements; and staff time to prepare for and participate in the audits (between 50 and 150 person days per forest).
- Certification assessments by an independent auditor do not automatically lead to certification. The Forest Service may spend funds for a certification audit, but, if management weaknesses and performance gaps are found, the agency may be unwilling or unable to spend additional funds to change forest management enough to qualify for certification, thus reducing the value of the initial expenditure.
- Failure of a National Forest to become certified may generate adverse public reaction with potential political or legal consequences.
- If major performance gaps are identified by a certification assessment, there is some uncertainty over how the Forest Service would address them if they are outside the control of individual National Forests, particularly if they might take several years or require actions by other federal agencies or Congress to resolve (e.g., those requiring additional appropriations).

ADDITIONAL QUESTIONS

7. **If the Forest Service were to seek certification, would all NFS lands be involved, or only some of them?**

This question has not been resolved and will be determined by several factors, including SFI and FSC policies and requirements. For example, FSC policies strongly encourage large landowners to have all of their lands certified, and restrict public statements and claims when only some parts of the ownership are certified. Further dialogue with NFS stakeholders and with FSC and SFI will help illuminate the options.

8. Would becoming certified require changes in current National Forest management?

It depends. Landowners seeking certification do so with the policies, management objectives, and systems they already have in place. Certification programs assess whether these policies and their implementation meet the certification standards. If they do not meet the standards, it is up to the landowner to decide whether to make any changes in management in order to comply.

The Forest Service has numerous executive and legislatively mandated processes for determining how NFS lands are managed. Such mandates address the amount of forest products harvested, the extent of roadless area and Wilderness designations, and other management decisions affecting natural resource restoration, biodiversity protection, water quality and watershed protection, fire fuels management, grazing, mineral and oil exploration and extraction, development of water storage and distribution facilities, motorized and other recreation, and other developments. Existing statutes also govern the processes through which the Forest Service makes decisions and carries out management activities, such as those requiring the evaluation of potential ecological effects, and the collection and consideration of public input. Pursuing certification would not exempt the agency from meeting these mandates, or from carrying out its normal planning and budgeting processes. However, meeting certification standards may require the Forest Service to modify its management in specific ways, and it is possible that some modifications would require the support of Congress and the public.

9. Would certification interfere with or preclude Forest Service compliance with existing laws or regulations?

No.

10. Would NFS public involvement procedures be affected by certification?

Any public involvement procedures already required by law would still apply, regardless of the outcome of an independent certification assessment or the certification of a National Forest. If certification audits were to uncover performance gaps that required corrective actions, any major Forest Service action that would normally trigger established public involvement and environmental review procedures (including those under the National Environmental Policy Act and the National Forest Management Act) would still do so.

11. If a National Forest were certified, what would happen if action by the courts, Congress or administration resulted in the inability of that forest to continue to comply with the certification standards?

Normally, a certifier would create a Corrective Action Request with a deadline by which the landowner would have to take the action in order to comply with the standards. Provided the Forest Service could comply by the deadline, the certificate would likely remain valid. If not, the certificate would typically be revoked by the certifier. However, court action or acts of Congress resulting in the inability of the agency to comply with certification standards would probably be considered final, and thus more likely to lead to revocation of the certificate for that forest.