

## FSC-US National Risk Assessment (NRA) v.2 – CONSULTATION DRAFT

### USER'S GUIDE

#### Summary, Discussion, & Commentary for Practitioners

January 2018

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#### Background and Context:

The rollout, over the last 2 years (more or less), of FSC's latest version of the Controlled Wood standard, has introduced the community to the conceptual structure of **Due Diligence Systems (DDS)**. In common with other, international DDS standards (e.g. PEFC) the latest FSC Controlled Wood standard specifies a 3-step evaluation process:

- 1) Information Gathering
- 2) Risk Assessment
- 3) Risk Mitigation

In theory, Due Diligence can be carried out at any scale. In practice, however, there are enormous advantages to conducting it at the largest scale practical. The FSC National Risk Assessment process is intended to provide much of the necessary "work" for Due Diligence for (in this case) the whole of the continental United States (excluding Alaska & Hawaii).

It is important to remember that FSC's Controlled Wood program has – since its inception in 2004 – focused on **"Five Categories of Unacceptable Wood"**:

- 1) Illegally harvested wood
- 2) Wood harvested in violation of traditional and human rights
- 3) Wood from forests in which high conservation values 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

These five categories form the basis of the US NRA – including its scope, conclusions, and probable consequence.

#### Authors, Experts, and Contributors:

FSC-US staff began work on this document in 2012, assembling a Working Group from the membership, and assigning considerable staff attention in 2013-2014. A discussion draft, released in early 2015, was not well received and became obsolete rather quickly as FSC proceeded to update the main Controlled Wood standard (v. 3.0/1, initially published in late 2015).

More recent work on this discussion draft was supported by the FSC-US Policy and Standards Committee (PSC) and a smaller, 3-member Technical Advisory Group (TAG). The US NRA v.2 draft appears to be the work of FSC-US staff and this advisory group – with input and feedback from the



PSC, a short list of subject-area experts, and several interested members of the FSC-US Board of Directors (BoD).

Names and affiliations of the people involved are found in the “Background Information” section of the US-NRA, on page 4. **It is important to appreciate that this NRA Discussion draft represents the work of a very small group of people (less than 30), of whom only about five came from implementing CW companies.**

### Maintenance and Updates:

On page 9, the NRA is described as a “living document” that will be “updated to incorporate new information as it becomes available”. Reference is made – however – to the FSC rules for NRA development found in STD-60-002. Here we find that “updates” should be limited in scope and involve no change in risk determination and the means of risk mitigation.

### Structure and Organization of the Document:

The US-NRA is a rather extensive (241 page), detailed, and somewhat duplicative document. It is structured primarily around the 5 FSC CW Categories, as well as the 3-step DDS format; as summarized in this table:

	Information	Risk Assessment	Mitigation
Category 1: Legality	extensive lists of information citations and references to expert consultation	summary of information, discussion of consequence, and risk conclusions	none specified
Category 2: Civil Rights			none specified
Category 3: HCVs			proposed “Control Measures”
Category 4: Conversion			
Category 5: GMOs			none specified

About half of the document (pages 11-149) is presented in a tabular format specified by FSC-International (FSC-IC). This is to align with other Risk Assessments being produced elsewhere in the world. Much of the assessment information is additionally presented in a series of Annexes. These somewhat overlap the information in the RA tables, and present some of the discussion and conclusions in a more visually digestible manner. In particular, Annex D (page 144-166) provides details for Category 2 analysis, Annex E & F (page 166-233) provides detail for HCV analysis, and Annex G (page 233-241) the details for Category 4.



## The User's Guide

Because the US-NRA draft is so long and detailed – and because it is so important - MixedWood presents the following summary to help busy practitioners digest, respond, and participate in the consultation.

Our User's Guide presents the contents of the US NRA this way:

- A) One CW Category at a time – from **Category 1 – 5**.
- B) Addressing Three Subjects:
  - 1) **What We Found** – briefly describes the content, discussion, and conclusions of the NRA for each category.
  - 2) **What We Think** – provides some informed commentary about the NRA. What we like. What we dislike. What is clear. What is unclear.
  - 3) **What You Should Do** – our specific recommendations for certified companies. Questions to consider. Ideas we hope you like. Feedback that FSC needs from you.

### Category 1: Illegally Harvested Wood

- NRA – Tabular Format: page 11-66

What We Found	What We Think
<p>The Category 1 analysis is largely (perhaps entirely) the work of FSC-IC through their Central National Risk Assessment (CNRA) process.</p> <p>Extensive in scope, with separate sources, discussion, and conclusions for 21 individual legality topics:</p> <ul style="list-style-type: none"> <li>1.1 Land Tenure</li> <li>1.2 Concession Licensing</li> <li>1.3 Planning</li> <li>1.4 Permits</li> <li>1.5 Royalties &amp; Fees</li> <li>1.6 VA Taxes</li> <li>1.7 Income Taxes</li> <li>1.8 Harvest Regulations</li> <li>1.9 Protected Sites/Spp.</li> <li>1.10 Env. Requirements</li> <li>1.11 Health &amp; Safety</li> <li>1.12 Employment</li> <li>1.13 Customary Rights</li> <li>1.14 FPIC</li> <li>1.15 Indig. People's Rights</li> <li>1.16 Classification</li> <li>1.17 Trade &amp; Transport</li> <li>1.18 Offshore Trading</li> </ul>	<p>In spite of the scope and detail, we find this category analysis to be rather inconsequential. Assessing a subject as broad as legal compliance, for a country as diverse and complex as the USA, is a slightly absurd idea. And the results bear this out.</p> <p><b>Summary of the Conclusions:</b> The USA is a modern, western society with comparatively high standards of transparency, accountability, and responsible governance. The risks of illegal conduct, associated with the sourcing, trading, processing, and sale of forest products are probably not systematic, and are certainly beyond the practical scope of mitigation by FSC.</p>



1.19 Custom Regulations 1.20 CITES 1.21 DDS Legislation  Conclusion (all sub-cat. & regions): <b>LOW RISK</b>	
<b>What You Should Do:</b> <ul style="list-style-type: none"> <li>• Mostly nothing.</li> <li>• Be satisfied that FSC has provided a sufficient, written record which verifies that no further action is necessary to source forest products from across the USA with a LOW RISK for this category.</li> <li>• We do NOT Recommend using this analysis for other purposes (consult your lawyer).</li> </ul>	

**Category 2: Wood Harvested in Violation of Trad’l & Human Rights**

- NRA – Tabular Format: page 67-90
- Annex D: page 144-165

What We Found	What We Think
<p>The Category 2 analysis represents both the work of FSC-IC &amp; FSC-US. Considerable inputs is from legally-trained experts.</p> <p>Extensive &amp; detailed in scope, with separate sources, discussion, and conclusions for 3 specific topics:</p> <ul style="list-style-type: none"> <li>2.1 Violent Armed Conflict</li> <li>2.2 ILO Principals</li> <li>2.3 Rights of Indig. &amp; Trad’l Peoples</li> </ul> <p>Discussion and analysis addresses, additionally, 10 specific risk thresholds which are identified in the standard guidance. 9 pages of reference citations are included.</p> <p>NOTE: Text in Annex D supports (&amp; to some extent duplicates) the discussion &amp; conclusions found in the NRA table.</p> <p>Conclusion (all sub-cat. &amp; regions): <b>LOW RISK</b></p>	<p>FSC’s treatment of this challenging set of topics shows the signs of competent and careful expertise. The unique and complex nature of US politics and its relationship to international norms (e.g. ILO) required this expertise, and the resulting analysis is both focused and rigorous.</p> <p><b>Summary of the Conclusions:</b> The USA is a modern, western society with strong traditions, and legal safeguards, for protecting the civil rights of individuals and groups. The risks of encountering significant violations of Traditional &amp; Human Rights, associated with the sourcing, trading, processing, and sale of forest products are probably not systematic, and are certainly beyond the practical scope of mitigation by FSC.</p>
<b>What You Should Do:</b> <ul style="list-style-type: none"> <li>• Definitely nothing.</li> <li>• Be satisfied that FSC has provided a sufficient, written record which verifies that no further action is necessary to source forest products from across the USA with a LOW RISK for this category.</li> </ul>	



## Category 3: Wood from Forests in which High Conservation Values are Threatened by Management Activities

- NRA – Tabular Format: page 91-129
- Annex G: page 166-232

What We Found	What We Think																																																																																											
<p>The Category 3 analysis appears to be the work of FSC-US with support from their Working Group. It represents, by far, the most challenging part of the NRA project.</p> <p>The discussion and analysis for this category is quite complex and extensive.</p> <p>An introductory “overview” attempts to provide context by describing the broad forested regions of the US as well as a short (&amp; rather odd) summary of basic silvicultural systems. There is a list of 22 experts that overlaps considerably with the list provided for the whole NRA. Nine pages of source citations are provided.</p> <p>Specific analysis of High Conservation Values (HVC) is organized into 6 sub-categories, which are described, assessed, and discussed individually. Conclusions are presented by sub-category and region – summarized in this table:</p>	<p>The FSC analysis for this category is wide-ranging and generally comprehensive. Conclusions vary considerably and should be considered individually.</p> <p>The HCV analysis provided by FSC-US is quite comprehensive and well-sourced. Discussion is conducted at a variety of scales, as are the conclusions. The resulting findings also vary considerably in scope and consequence.</p> <p>Analysis for HCV 1 (spp. Diversity) is organized initially around a Nature Conservancy (TNC) dataset which identifies a series of “Critical Biodiversity Areas” (CBA); and secondarily the identified ranges of a short list of Endangered Species. Much of the risk identified appears focused around wetland and riparian habitats (&amp; related spp. diversity) and may be mitigated best by BMP implementation.</p> <p>The HCV 3 discussion is somewhat less focused. A variety of landscape-wide designations – described variously by government agencies and conservation NGOs are examined and discussed. Criteria for risk designations appear somewhat arbitrary and/or subjective. Helpfully, the geographic extent of these areas of concern tends to overlap with areas identified in HCV 1 analysis.</p>																																																																																											
<table border="1"> <thead> <tr> <th colspan="7">Category 3: High Conservation Values</th> </tr> <tr> <th></th> <th>HCV 1: Species Diversity</th> <th>HCV 2: Landscape-Level Forests</th> <th>HCV 3: Rare Ecosystems</th> <th>HCV 4: Critical Ecosystem Services</th> <th>HCV 5: Community Needs</th> <th>HCV 6: Cultural Values</th> </tr> </thead> <tbody> <tr> <td>FSC US Region</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Pacific Coast</td> <td>Specified<sup>1</sup></td> <td>Low</td> <td>Specified<sup>2</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Rocky Mountains</td> <td>Low</td> <td>Low</td> <td>Specified<sup>3</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Southwest</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Non-Forested</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Great Lakes</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Northeast</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Appalachian</td> <td>Specified<sup>4</sup></td> <td>Low</td> <td>Specified<sup>5</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Ozark-Ouachita</td> <td>Specified<sup>4</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Mississippi Alluvial</td> <td>Specified<sup>4</sup></td> <td>Low</td> <td>Specified<sup>5</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Southeast</td> <td>Specified<sup>5</sup></td> <td>Low</td> <td>Specified<sup>5</sup></td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> </tbody> </table>	Category 3: High Conservation Values								HCV 1: Species Diversity	HCV 2: Landscape-Level Forests	HCV 3: Rare Ecosystems	HCV 4: Critical Ecosystem Services	HCV 5: Community Needs	HCV 6: Cultural Values	FSC US Region							Pacific Coast	Specified <sup>1</sup>	Low	Specified <sup>2</sup>	Low	Low	Low	Rocky Mountains	Low	Low	Specified <sup>3</sup>	Low	Low	Low	Southwest	Low	Low	Low	Low	Low	Low	Non-Forested	Low	Low	Low	Low	Low	Low	Great Lakes	Low	Low	Low	Low	Low	Low	Northeast	Low	Low	Low	Low	Low	Low	Appalachian	Specified <sup>4</sup>	Low	Specified <sup>5</sup>	Low	Low	Low	Ozark-Ouachita	Specified <sup>4</sup>	Low	Low	Low	Low	Low	Mississippi Alluvial	Specified <sup>4</sup>	Low	Specified <sup>5</sup>	Low	Low	Low	Southeast	Specified <sup>5</sup>	Low	Specified <sup>5</sup>	Low	Low	Low	<p>We are particularly puzzled at the decision to designate as “specified risk” the areas of Old Growth forest in the Pacific Coast and Rocky Mt regions that are publicly owned. The decision to limit this designation to publicly managed land appears to be a political decision that is inappropriate in an analysis like this one.</p>
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<p>Four of the six HCV sub-categories are analyzed and presented with a low risk conclusion, including:</p> <ul style="list-style-type: none"> <li>HCV 2: Landscape-Level Forests</li> <li>HCV 4: Critical Ecosystem Services</li> <li>HCV 5: Community Needs</li> <li>HCV 6: Cultural Values</li> </ul>																																																																																												



These sub-categories will not require further attention or effort by most companies (see below).

The remaining two HCV sub-categories are discussed and analyzed with a conclusion of “specified” risk in two general categories:

- Endangered spp. & habitats (HCV 1)
- Rare Ecosystems (HCV 3)

Broadly speaking, the habitats of concern include western old growth forests; coves and bottoms in the SE & Appalachia; and longleaf pine ecosystems. The species of concern are from a short list, including 7 amphibians and 1 bird.

Conclusion varies by region:

**SPECIFIED RISK:**

- Pacific Coast
- Rocky Mts
- Southeast
- Appalachian
- Ozark-Ouachita
- Mississippi Valley

**LOW RISK:**

- All other regions

Standard “Control Measures” for Mitigation

**Summary of the Conclusions:** After considerable analysis, FSC has identified the following High Conservation Values which may be threatened by forest management activities:

- Old growth forests in the Pacific & Rocky Mt. regions
- Rich Cove stands in Appalachia
- Hardwood bottoms and longleaf pine in the SE, Mississippi Valley, & Ozarks
- A number of RTE species in the same regions.

The risk of sourcing wood from forests may be threatening these HCVs, in these regions, should be mitigated by,

- Distribution of education materials, and
- Implementation of other actions, collaboratively discovered at a later date.

**What You Should Do:**

- Consider the consequence of HCV 1 risk findings related to Longleaf Pine restoration objectives in the Southeastern pine belt. Do you find this reasonable and appropriate? Are there practical opportunities for mitigation through education and outreach? Please provide comments to FSC-US.
- Consider the consequence of HCV 1 & 3 risk findings related to rich hardwood standards in the Appalachian and Mississippi Valley regions. Will education materials distributed by procurement foresters influence decisions in these areas? Do you have other practical suggestions or comments? If so, please provide comments to FSC-US.
- Consider the consequence of the FSC finding for publicly-managed Old Growth forests in the west. Do you agree that FSC-certified procurement foresters might provide effective mitigation of manage decisions by federal agencies? Do you have other comments or suggestions on this topic? If so, please provide comments to FSC-US.



## Category 4: Wood Harvested from Forests Being Converted

- NRA – Tabular Format: page 130-135
- Annex G: page 233-241

What We Found	What We Think
<p>The Category 4 analysis appears to be the work of FSC-US with support from their Working Group.</p> <p>The discussion includes a brief, but inconsequential reference to the (mostly nonexistent) legal framework related to conversion.</p> <p>An attempt to conduct quantitative analysis at the national level 2 federal data sources (FIA &amp; NLCD), but no conclusion is offered.</p> <p>A qualitative discussion that cites a wide variety of sources, and offers an independent, unique, and regionally-specific set of conclusions.</p> <p>NOTE: Text in Annex G supports (&amp; to some extent duplicates) the discussion &amp; conclusions found in the NRA table.</p> <p>Conclusions vary by region:</p> <p><b>SPECIFIED RISK:</b></p> <ul style="list-style-type: none"> <li>▪ Pacific Coast</li> <li>▪ Southeast,</li> <li>▪ Mississippi Valley</li> </ul> <p><b>LOW RISK:</b></p> <ul style="list-style-type: none"> <li>▪ All other regions</li> </ul> <p>Standard “Control Measures” for Mitigation</p>	<p>FSC correctly concludes that existing quantitative data about forest conversion is inconclusive. The subsequent qualitative analysis cites a reasonable variety of credible sources, but arrives at a conclusion that is somewhat puzzling. The key finding - that conversion of forestland is mostly related to urbanization - is reasonable. But the analysis fails to provide any causal linkage to commercial wood procurement or forest harvesting. This fact tends to undermine the conclusion of “specified” risk and the requirement for mitigation.</p> <p><b>Summary of the Conclusions:</b> Available information concerning conversion of forests to plantations and/or non-forest suggests that principle risks are associated with urbanization and concentrated in the West and Southeast. The risk of sourcing wood from converted forests in these regions should be mitigated by,</p> <ul style="list-style-type: none"> <li>▪ Distribution of education materials, and</li> <li>▪ Implementation of other actions, collaboratively discovered at a later date.</li> </ul>
<p><b>What You Should Do:</b></p> <ul style="list-style-type: none"> <li>• Consider whether you agree or disagree with the FSC-US conclusion for this Category. Do you agree that forest conversion in urban areas of the West &amp; SE is unlikely to be influenced by activities of CW companies? If so, you should provide comments to FSC-US.</li> <li>• Consider how practical mitigation of forest conversion in the West &amp; SE might be undertaken. Will education materials distributed by procurement foresters influence decisions to convert forests in urbanizing landscapes? Do you have other practical comments or suggestions on this topic? If so, please provide comments to FSC-US.</li> </ul>	



- Consider what activities the forest products industry might already be taking that may have positive influences on the rates of forest conversion. Is it better to support and encourage existing programs like American Tree Farm, Project Learning Tree, etc. rather than organizing a new network? If so, please provide comments to FSC-US.
- Do you have other ideas or comments that might be helpful? If so, please provide comments to FSC-US.

## Category 5: Wood Harvested from Forests with GMO Trees

- NRA – Tabular Format: page 136-139

What We Found	What We Think
<p>The Category 5 analysis is largely (perhaps entirely) the work of FSC-IC through their Central National Risk Assessment (CNRA) process.</p> <p>Simple, focused scope, with separate discussion, and conclusions for 9 “context questions” provided by FSC guidance (pg. 137).</p> <p>Conclusion (all sub-cat. &amp; regions): <b>LOW RISK</b></p>	<p>FSC treats this simple indicator in a straightforward manner. Because there is, as yet, no commercial deployment of GMO technology in the US forest products industry, the subject remains essentially mute.</p> <p><b>Summary of the Conclusions:</b> There is, as yet, no commercial deployment of GMO technology in the US forest products industry. The risks of sourcing trees from forests where GMO trees are planted is essentially negligible. Future deployment of these techniques may require re-assessment.</p>
<p><b>What You Should Do:</b></p> <ul style="list-style-type: none"> <li>• Definitely nothing.</li> <li>• Be satisfied that FSC has provided a sufficient, written record which verifies that no further action is necessary to source forest products from across the USA with a LOW RISK for this category.</li> </ul>	

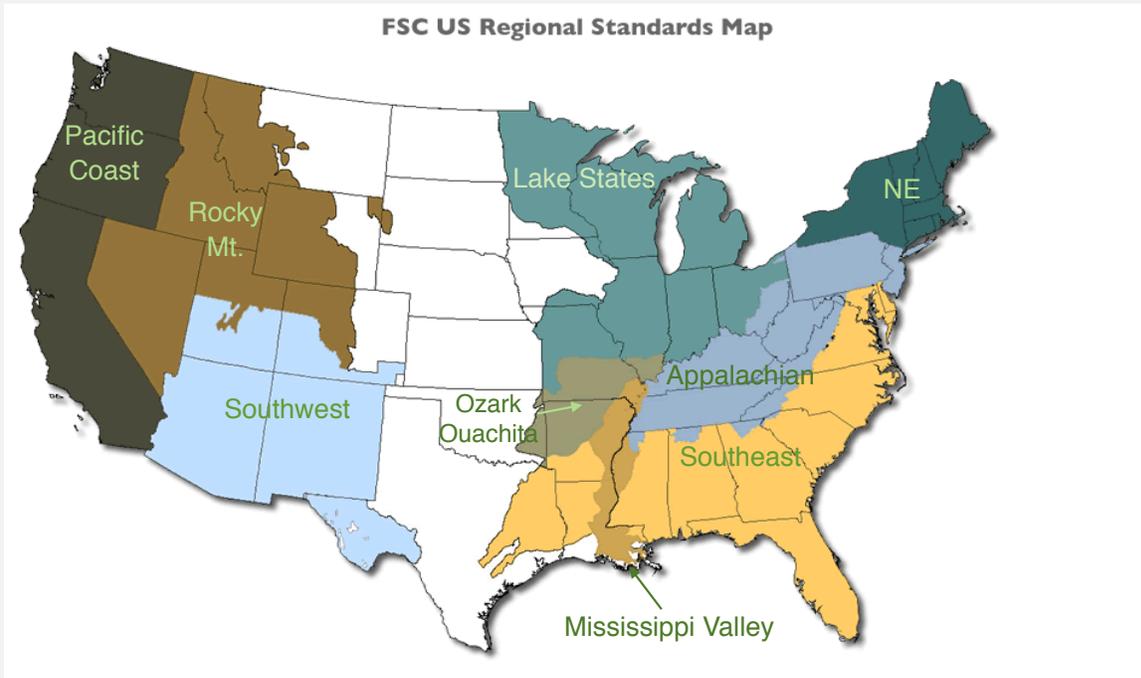


# “Control Measures” – Where and What?

## WHERE?

1) Control Measures (CM) apply only if **sourcing wood from the following areas:**

FSC Region	Category 3 (HCV)	Category 4 (Conversion)
Pacific Coast	yes	yes
Rocky Mts.	yes	no
Southwest	no	no
Great Lakes	no	no
Northeast (NE)	no	no
Appalachian	yes	yes
Ozark-Ouachita	yes	no
Mississippi Alluvial	yes	yes
Southeast	yes	yes



# WHAT?

1) Provide “**Educational Information**” to Suppliers and Procurement Foresters - including the following required elements (*CM 3.a & 4.a*):

- a. Information about the “specified risk” designation
- b. Required Statements (below):

Category 3: HCVs	Category 4: Conversion
<p><b>Required Statement (HCV1):</b> “Materials from land where HCVs are threatened by forest management activities are considered to be unacceptable materials by the Organization.”</p> <p><b>Required Statement (HCV2):</b> “When these areas are known by a supplier, the Organization expects the supplier to either 1) avoid sourcing from these areas; or 2) mitigate threats to the HCV(s) prior to sourcing from these areas.”</p>	<p><b>Required Statement (CONV1):</b> “Any conversion of forest to plantation or non-forest use may have negative impacts on social, economic and/or environmental values. However, the greatest risk of materials from conversions entering the supply chain is from larger conversions. Therefore, to minimize the risk of adverse impacts from conversion, and the risk of materials from conversions entering the FSC supply chain, we will not accept materials from converted forest areas that are greater than 100 acres (40.5 hectares).”</p>

c. Guidance & Resources...

Category 3: HCVs	Category 4: Conversion
<p>... for avoiding sourcing from HCV(s), threatened by forest management activities.</p>	<p>...for avoiding sourcing from areas of conversion.</p>

2) Attend **Regional Meetings** (*CM 3.b.i & CM 4.b.i*)

-> or **review meeting reports** (*CM 3.b.ii & CM 4.b.ii*)

- a. Meeting Elements:
  - i. Learning Sessions
  - ii. Collaborative Dialogues
    - 1. Identification of “focused set of actions” (see 3. below)
  - iii. Information Sharing

3) **Implement Actions** (*CM 3.c & CM 4.c*)

- a. From “Collaborative Dialogues” (2.a.ii.1 above)
- b. Designed to “reduce risk of sourcing” from HCV or Conversion

