



FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr.:	8394-CA		
Client:	Domtar Inc.		
Web Page:	www.domtar.com		
Address:	619, Rang 12, C.P. 1010 Windsor, QC J1S 2L9, Canada		
Country:	Canada		
Certificate Nr.	SGS-FM/COC-2540	Certificate Type:	Forest Management
Date of Issue	16.03.2006	Date of expiry:	15.03.2011
Scope:	Forest Management of 6 830 hectares of natural hardwood private forests in the State of Maine for the production of sawn timber and pulp and paper.		
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Evaluation dates:			
Main Evaluation	June 6 – 10, 2005		
Surveillance 1	4-8 September 2006		
Surveillance 2	5-7 Novembre 2007		
Surveillance 3	25-28 August 2008		
Surveillance 4			

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ASSOCIATED DOCUMENTS (not part of the Public Summary)

AD 20:	Evaluation Itinerary
AD 21:	Attendance Record
AD 26:	Corrective Action Requests
AD 36-B:	Evaluation - Observations and Information on Logistics
AD 36-C:	Evaluation – Information on Group Members
AD 38:	Peer Review Report
AD 40:	Stakeholder Reports
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	List of stakeholders contacted

COMPLAINTS AND DISPUTES

Procedures for submitting complaints, appeals and disputes, and the SGS processing of such are published on www.sgs.com/forestry. This information is also available on request – refer contact details on the first page.

INTRODUCTION

The purpose of the evaluation was to evaluate the operations of Domtar inc. against the requirements of the QUALIFOR Programme, the SGS Group's forest certification programme accredited by Forest Stewardship Council.

1. SCOPE OF CERTIFICATE

The scope of the certificate falls within the Temperate Forest Zone and includes 2 sets of Forest Management Units (FMUs) as described below.

Description of FMUs:				
Description	Ownership	Area (ha)	Longitude E/W	Latitude N/S
Sherdon	Domtar	6 830	70° 39'	45° 35'
Maine Timber Holding (MTH) SOLD in 2007	Domtar	9 913	69° 57'	46° 42'

Size of FMUs:		
	Nr of FMUs	Area (ha)
Less than 100ha		
100 to 1000 ha in area		
1001 to 10000 ha in area	1	6 830
More than 10000 ha in area		
Total		

Total Area in the Scope of the Certificate that is:	
	Area (ha)
Privately managed	6 830
State Managed	
Community Managed	

Composition of the Certified Forest(s)	
	Area (ha)
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	0
Area of forest protected from commercial harvesting of timber and managed primarily for production of NTFPs or services	0
Area of forest classified as "high conservation value forest"	0
Total area of production forest (i.e. forest from which timber may be harvested)	6 830
Area of production forest classified as "plantation"	0
Area of production forest regenerated primarily by replanting	0
Area of production forest regenerate primarily by natural regeneration	100%

List of High Conservation Values	
Description	Notes
Various zones identified as HCVF for steep slopes and erosion control	2008 : these zones were removed from the HCVF classification by Domtar, however, an adapted management according to the Maine forest management BMPs is implemented.

Annual Timber Production				
Species (botanical name)	Species (common name)	Area (ha)	Maximum Annual Sustainable Yield (m ³)	
			Projected	Actual
<i>Acer saccharum</i> , <i>Acer rubrum</i> , <i>Betula alleghaniensis</i> , <i>Betula papyrifera</i> , <i>Populus tremuloides</i> , <i>Populus grandidentata</i> , <i>Fagus grandifolia</i> , <i>Fraxinus americana</i> , <i>Prunus serotina</i>	Broadleaf species : Sugar maple, red maple, yellow birch, white birch, trembling aspen, largetooth aspen, American beech, white ash, black cherry	6 830 ha	39 400 m ³	39 400 m ³
<i>Picea glauca</i> , <i>Picea rubens</i> , <i>Abies balsamea</i>	Softwood species : White spruce, red spruce, balsam fir		16 300 m ³	16 300 m ³
<i>Tsuga canadensis</i> , <i>Thuja occidentalis</i>	Other softwood : Eastern hemlock, eastern white cedar.		3 500 m ³	3 500 m ³
Totals				

List of Timber Product Categories	
Product	Notes
Softwood sawtimber	
Softwood pulpwood	
Hardwood sawtimber	
Hardwood pulpwood	
Totals	

Approximate Annual Commercial Production of Non-Timber-Forest-Products				
Product	Species		Unit of measure	Total units
	Botanical Name	Common Name)		
None				

2. COMPANY BACKGROUND

2.1 Ownership

Domtar inc. is a Canadian privately owned company with shares on the stock exchange, its headquarters are based in Montreal, Quebec. Domtar Windor, is a division of the group based in the southern part of Quebec and

managing a large pulp and paper mill. The forestry department within the mill is responsible to secure a steady fibre supply to the mill from various sources, including its own properties in Maine of which Maine Timber Holding (MTH), Sherdon and Beatty are covered by the scope of this assessment.

2.2 Company Key Objectives

Objective	Notes
Commercial	
To develop a productive forest by : <ul style="list-style-type: none"> • Maintain a level of wood supply over the long term • Increase the growth yield on key sites by adapting specific silvicultural treatments • Maintain profitability by producing added value wood products 	
Social	
<ul style="list-style-type: none"> • To protect and manage all other forest resources 	In its Forest Policy, Domtar specifically identifies “listening to the public concerns” as a social commitment.
Environmental	
Maintain a healthy forest by: <ul style="list-style-type: none"> • Introduce natural patterns into the management • Manage considering the field context 	Domtar inc. has also developed an environmental policy and a forestry policy where numerous commitments overlapping the management plan objectives are listed.

2.3 Company History

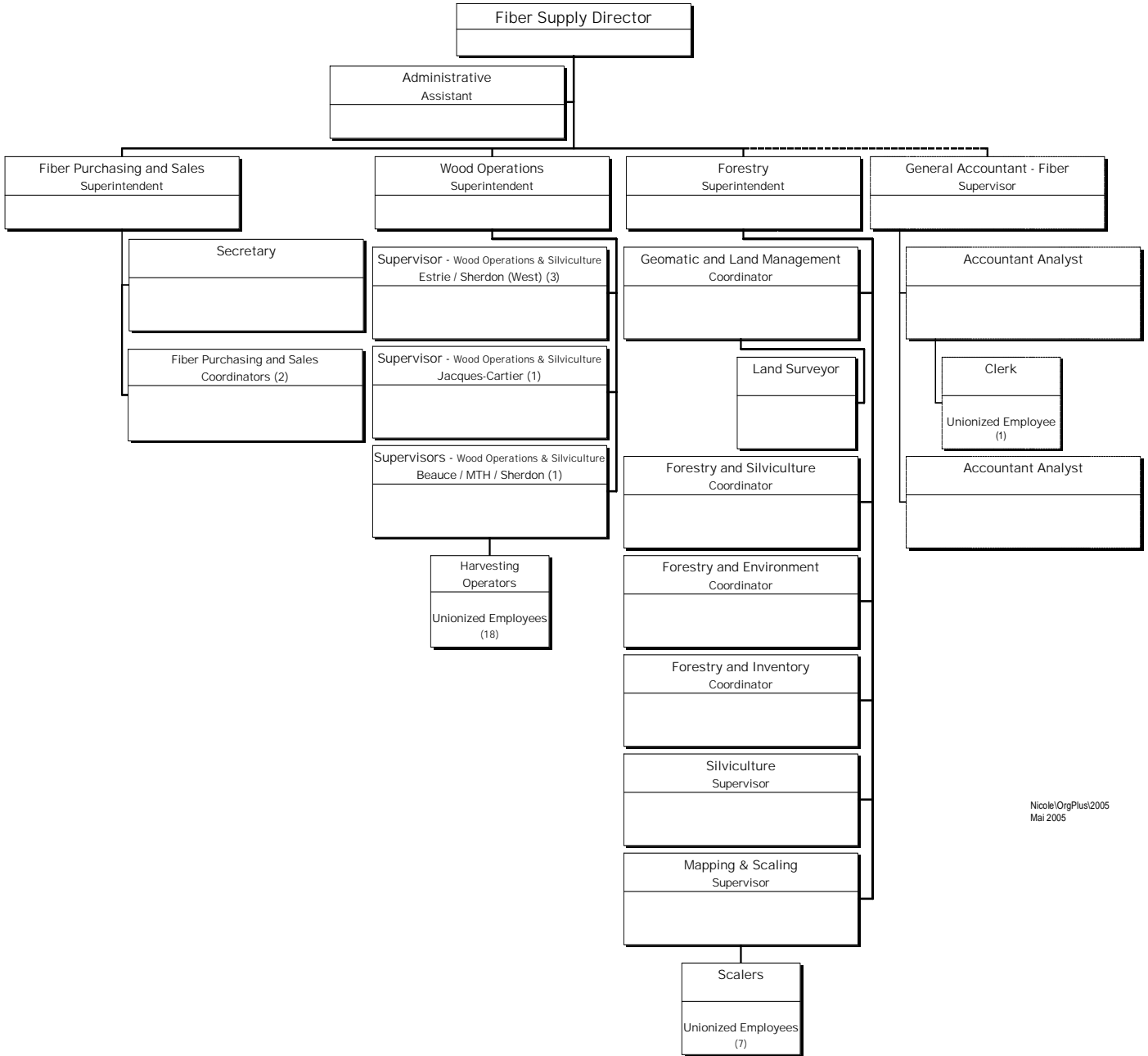
Domtar is the third largest producer of uncoated free-sheet paper in North America. It is also a leading manufacturer of business papers, commercial printing and publication paper, and technical and specialty papers. Domtar manages according to internationally recognized standards over 7.2 million hectares of forest land in Canada and the United States, and produces lumber and other wood products. Domtar has over 10 000 employees across North America. The company also has a 50% investment interest in Norampac Inc., the largest Canadian producer of containerboard.

2.4 Organisational Structure

The Domtar Mill, in Windsor, QC, produces fine papers from hardwood and softwood fibres. About 85% of the wood delivered to the mill in wood chips and roundwood is sourced from Quebec, New-Bruswick and United-States private and public forests. The 15% remaining is sourced from Domtar private forests, covered by this assessment report. In addition to the hardwood pulp quality fibres, these forests also produce hardwood and softwood sawn wood quality sold on the local market.

To fulfill its mandate, Windsor Fibre Supply Service is organized in 3 units: Sawn wood purchase and sale, Forestry Operations, Forestry. These units have the support of the financial unit (see organizational chart on the following page).

**Domtar - Wood Fiber Procurement - Windsor Mill
May 2005**



2.5 Ownership and Use Rights

Domtar inc. owns the forest land in Maine on which the audit was performed.

2.6 Other Land Uses

All other activities undertaken within the forest area under assessment are fully compatible with a sustainable forest management. However, for Maine properties unlike in Quebec, few activities are occurring apart from forest management related.

2.7 Non-certified Forests

Domtar inc. has made the commitment to certify all its forest management activities. Some of the management units where Domtar operates were already audited and are already certified in Quebec and Ontario (Val d'Or common forest area, Algoma, Northshore Forests, Domtar Forest resources Cornwall).

One private forest managed by Windsor mill division and located in the north of Quebec City (Jacques Cartier) was excluded of the certification. The reason being that this forest is presently on evaluation to determine if Domtar will maintain the ownership. According to discussions, it seems that the management is consistent with the good forest management commitments. Actually, an ISO-14001 certificate has been maintained on the last three years and was renewed this year, for this property.

3. FOREST MANAGEMENT SYSTEM

Introduction note : Sherdon and Maine Timber Holding are Domtar properties located in Maine just across the Canadian border. In fact, they are part of much larger forest blocks split by the Canadian-US border. Sherdon forests are managed under Estrie management (subject to a FSC assessment as well) whereas MTH is a separate Forest Management Unit.

3.1 Bio-physical setting:

Sherdon – This property is located in the so-called Boundary Mountains of western Maine. This remote region is characterized by rugged mountainous terrain supporting a diverse and complex mix of habitats and communities. Bounded on the northwest by the agricultural landscape of Quebec's upper Chaudière valley and to the southeast by Maine's upper Kennebec valley, this upland region straddles the drainage divide between the St. Lawrence valley and Maine's Atlantic rivers.

Maine Timber Holding (MTH) – This property also lies adjacent to the international border further to the north. It occupies a low, rolling uplands in the headwaters of Maine's upper St. John River valley – thought to be one of the largest undeveloped land-bases in the eastern US. The gently rolling terrain is characterized by gradual and continuous habitat gradations, including large expanses of wetlands.

Geography:

Sherdon – This property lies astride a series of steep bedrock ridges characterized by classic glacial influences. The complex and varied landforms include steep slopes, exposed bedrock, narrow valleys, and many brooks, ponds, and small wetlands.

MTH – This landscape, though also glacial in origin, is characterized by a more gentle series of undulating ridges and valleys. Landforms include long, gentle slopes, fewer drainages, little exposed bedrock, and some extensive wetland areas.

Ecology:

Sherdon – The inherently diverse nature of this landscape leads to a wide diversity of habitat types. These range from high-elevation softwood communities that approach sub-alpine conditions to rich toe slope hardwood sites. Numerous bedrock outcroppings and small and aquatic features contribute to a rich and varied landscape. While essentially all of the property has seen timber harvests, the difficult terrain has limited and complicated access. This has allowed many stands to retain significant features associated with mature forest communities (large snags, coarse woody debris, epiphytes, etc.).

MTH – The more gently rolling terrain of the St. John valley contains less broad-scale diversity of community types. This landscape, along with its land use history, has resulted in a more uniform and

even-aged structure to the forests. Of particular interest in these communities, is there role is supporting the needs of species of concern which require large, contiguous home ranges. Such species would include lynx and American martin. The softwood forests of this region also are closely linked to the life cycle and outbreak dynamics of the spruce budworm.

Soils:

Sherdon – Uniformly glacial in origin, soils on this property are primarily basal till types, often deep, but characterized by compacted sub-soils which inhibit drainage. Ridge tops exhibit shallow, well- to excessively drained soils. Mid-slope soils offer the most productive sites, with deeper and better drained profiles. Valley bottom soils, though deep, tend toward imperfect drainage and shallow rooting zones. Fine textured parent material and lack of outwash features limit the quality of road-building materials.

MTH – This property offers a more varied mixture of basal and ablation till soils, along with water-washed sediments. Valley bottoms are limited by poor drainage, and extensive wetland soils are present. Ridge tops are better drained and support upland communities and higher productivity. Quality road-building material appears to be adequately available.

3.2 History of use

Sherdon – Occupying a remote and rugged corner of the state of Maine, this region was never settled or developed for agriculture. Instead it has been episodically exploited for timber of the last century, according to available technology and market demands. Difficult access logistics have limited the intensity of exploitation over the years, and continue to challenge managers. This has resulted in a landscape retaining much of its diversity of natural features and habitats.

MTH – This property's location in the upper St. John River valley has included it in the long history of industrial timber exploitation that characterizes Maine's north woods. Never deemed suitable for settlement or agriculture, this region was progressively harvested for timber products beginning in the second half of the 19th century. Early extractions of Pine and Spruce sawtimber lead to more extensive pulpwood harvests beginning about the turn of the 20th century. Initially, all wood was transported by water, down the St. John to New Brunswick. As river-driving was phased out in the late 20th century, an extensive network of woods roads was developed, and markets shifted to border mills in Quebec. Although this road network has changed the character of this landscape considerably, its distance from settled parts of Maine, and the international border have maintained its unusual remote character. A major outbreak of the spruce budworm defoliator in the 1970's and 1980's lead to extensive mortality and related salvage cutting. Young stands of this age class make up a major portion of today's forest.

3.3 Planning process

Ten years management plans are developed for each management units. These plans describe the overall resource and general management strategy. Five year plans and annual plans of operations are then developed to implement the general management plan. Changes to the plans as a result of the monitoring process are therefore possible through these medium and short term documents.

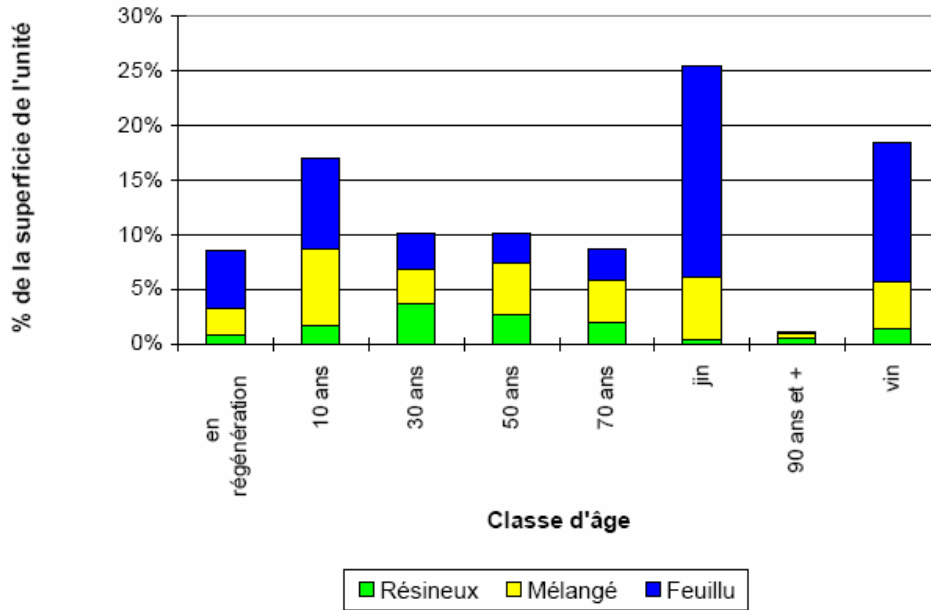
Sylva II is the software being used to calculate the Annual Allowable Cuts (AAC). This software was developed by the Quebec Ministry of Natural Resources in collaboration with the Quebec Lumber Association (AMBSQ) and the Quebec Forest Industry Association (AIFQ). The forest evolution can be simulated over a 150 years horizon. Loss due to spruce bud worm outbreaks can also be simulated

3.4 Harvest and regeneration

Actual profile of Domtar forests :

Estrie unit forests (including Sherdon) are characterized by young (jin) and old (vin) uneven aged stands. Jin refers to young uneven aged (3 subsequent age classes 10-70 years) while vin refers to old uneven aged (3 subsequent age classes 70-120 years).

ESTRIE UNIT INCLUDING SHERDON FOREST (6 832 HA) (SOURCE :DOMTAR INC.)



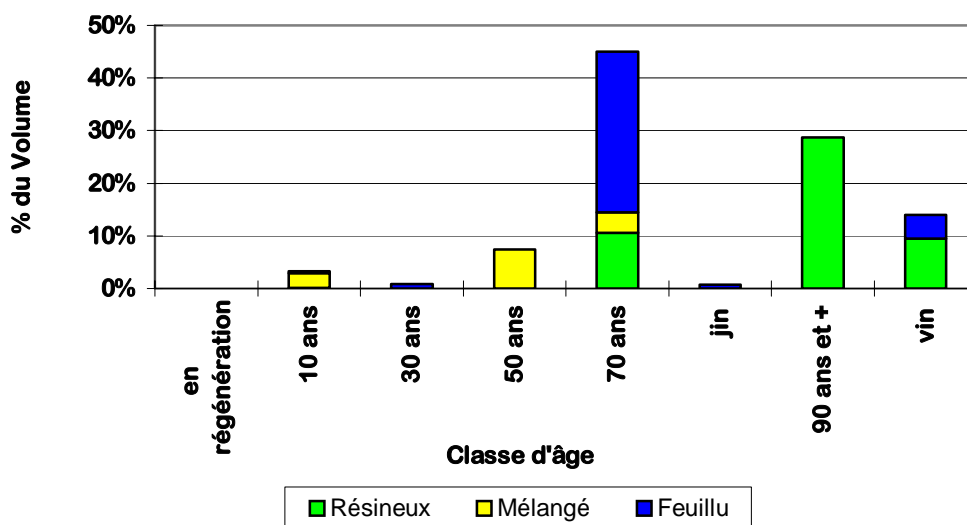
Forest composition of Estrie Unit (Domtar inc. 2000)

FOREST TYPE	HECTARES	% OF THE TOTAL FOREST AREA
CONIFEROUS	14 479	13.5
MIXED SPECIES	34 178	31.8
BROADLEAF	58 871	54.7
TOTAL	107 528*	100

*NOTE : THE TOTAL INCLUDES SHERDON FOREST IN MAINE (6 832 HECTARES).

MTH Unit

The following graph shows how the volume of wood is spread between the age class for broadleaved species, coniferous species and mixed species.



3.4 Monitoring processes

Monitoring of the operations is performed by Domtar field staff. They ensure that contractors are briefed and understand the work to perform and they also survey the respect of the instructions.

4. SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

4.1 Social aspects

Number of own workers	45
Number of contract workers	25
Minimum daily wage for agricultural/forestry workers	
Infant mortality rates (under 5 years)	7/1000
Proportion of workers employed from the local population (%)	100%

Domtar's Maine properties lie within the largest expanse of undeveloped land in the eastern United States. The region – sometimes called the Great North Woods - is characterized by a lack of a history of land clearing or agriculture. Originally part of the state of Massachusetts, most lands in this region passed into private ownership early in the 19th century and have been managed since that time principally for the production of forest products. Despite the increase in importance of forest-based recreation in the 20th century, forest products remain the mainstay of employment in the towns that border this region. Large, industrial scale ownerships are still the rule, though recent increases in land transactions suggest impending change.

The position of these properties along the national border between the US and the province of Quebec, Canada places them in a zone of overlapping cultural influences. A long history of interdependence and co-habitation characterizes the intermixing of Anglo-American New England culture with Franco-American culture. Bilingual communities and families are still common.

Some of Domtar's properties border properties held by both of Maine's major native communities, the Passamaquoddy Tribe and the Penobscot Nation. These properties do not represent ancestral homelands, however, but are lands acquired during land claims settlements of the 1980s and are managed by the native communities principally for timber production.

4.2 Environmental aspects

Maine's north woods region, of which Domtar's properties are a part, represent one of the largest and most intact examples of forested habitat in the eastern United States. Despite extensive exploitation for timber harvesting and management over about 150 years, the region is nonetheless thought to retain much of its natural biodiversity. The process of measuring, understanding, managing and conserving this natural diversity is the subject of active and ongoing study. One large-scale, landmark study on this subject is underway on property adjacent to Domtar's Sherdon ownership. The Manomet Center for Conservation Studies is conducting the "Shifting Mosaic Study" in close cooperation with scientists at the University of Maine and several industrial land managers. This project is shedding valuable light on the current state of biodiversity in Maine's forest landscape and already offering useful management ideas for foresters.

4.3 Administration, Legislation and Guidelines

Domtar's Maine properties fall within the state's Unorganized Territories. This region lacks municipal-level government, so regulation of land-use standards is regulated and administered by the Land Use Regulation Commission (LURC). LURC effectively acts as Conservation Commission and Planning Board for this region. LURC's regulatory framework includes guidelines and permitting authority for most land use developments. Included are standards for land management road construction, activities adjacent to and crossing water bodies, and general standards for protecting water quality. Although LURC maintains a small enforcement staff, principal enforcement responsibility for LURC

regulation of forestry operations is delegated to the Forest Fire Control division of the Maine Forest Service.

Maine regulates the practice of forest harvesting through regulations promulgated under the authority of the Forest Practices Act. The requirements of this law include routine notification of timber harvesting activities, limits on clear-cut size and adjacency, and regeneration standards. These regulations are also enforced by the Maine Forest Service.

Maine's Fish and Wildlife laws are enforced by the Maine Warden Service, a branch of the state's department of Inland Fisheries and Wildlife. Wardens have full police powers and are present in the north woods principally to enforce game laws.

The following table lists the key national legislation, regulations, guidelines and codes of best practice that are relevant to forestry in the commercial, environmental and social sectors. This list does not purport to be comprehensive, but indicates information that is key to the forestry sector.

The environmental regulation in Maine is thorough and covers well all elements of the FSC P&C requirements.

Legislation and regulation	Notes
<ul style="list-style-type: none"> <input type="checkbox"/> Endangered Species Act <input type="checkbox"/> Forest Resources Conservation and Shortage Relief Act <input type="checkbox"/> Clean Water Act (Section 404 wetland protection) <input type="checkbox"/> Occupational Safety and Health Act <input type="checkbox"/> National Historic Preservation Act <input type="checkbox"/> Archaeological and Historic Preservation Act <input type="checkbox"/> National Resource Protection Act <input type="checkbox"/> National Environmental Protection Act <input type="checkbox"/> National Wild and Scenic River Act <input type="checkbox"/> National Historic Preservation Act <input type="checkbox"/> Native American Grave Protection and Repatriation Act <input type="checkbox"/> U.S. has ratified the following relevant international treaties : CITES and ILO 	
<ul style="list-style-type: none"> <input type="checkbox"/> Maine Forest Practices Act <input type="checkbox"/> Maine Forest Service Rules, Chapter 20 <input type="checkbox"/> Maine Land Use Regulation Commission Laws and Statues, Ch. 10 <input type="checkbox"/> Maine Land Use Regulation Commission, Comprehensive Land Use Plan <input type="checkbox"/> Maine Department of Inland Fisheries & Wildlife Regulations <input type="checkbox"/> Maine Department of Environmental Protection Regulations <input type="checkbox"/> Maine Endangered Species Act <input type="checkbox"/> Maine Natural Resources Protection Act <input type="checkbox"/> Erosion and Sedimentation Control Act <input type="checkbox"/> Protection and Improvement of Water Act 	
Guidelines and Codes of Best Practice	Notes
<ul style="list-style-type: none"> <input type="checkbox"/> Best Management Practices for Forestry : Protecting Maine's Water Quality (2004) 	

5. CHANGES IN MANAGEMENT, HARVESTING, SILVICULTURE AND MONITORING

The following table shows significant changes that took place in the management, monitoring, harvesting and regeneration practices of the certificate holder over the certificate period.

Description of Change	Notes
SURVEILLANCE 1	
No significant changes have occurred	
SURVEILLANCE 2	
No changes in the management. MTH was sold and area under management has changed accordingly.	
SURVEILLANCE 3	
No changes.	
SURVEILLANCE 4	

6. PREPARATION FOR THE EVALUATION

6.1 Schedule

The Evaluation was preceded by a pre-evaluation by SGS QUALIFOR in July 2004. This examined the management systems and identified any gaps that might preclude certification. Information gathered was used to plan the main evaluation. Key stakeholders were identified.

6.2 Team

The table below shows the team that conducted the main evaluation and the independent specialist(s) that were selected to review the main evaluation report before certification is considered.

Evaluation Team	Notes
Team Leader	Has a Master of Forestry and has over 12 years of experience in forestry or related field (forest management, ecology, social issues) internationally (Eastern Europe, UK, France, South Africa, Congo, Cameroon, Indonesia, Chile, Papua New-Guinea, Solomon Islands...) and regionally (Quebec) or nationally (British Columbia), over 100 days FSC auditing, speaks local language (French).
Local Forestry Specialist	Has a B.S. degree in Forestry from the Univ. of Maine and is a Maine Licensed Professional Forester with 22 years experience in forestry operations and silviculture regionally (northern New England).
Social Specialist	The social specialist is a conservation biologist with a Masters degree in Forest Science and a Minor in Education from Laval University. He has also completed graduate studies in Water Science. He has led the implementation of Integrated Conservation and Development projects in Gabon and Guinea-Bissau based on participatory approaches involving local communities, Indigenous Peoples, environmental interest groups and industry. In Canada, he coordinated the FSC national boreal standard setting process and has conducted numerous projects on fishing yield assessments, on the state of wildlife and habitats, and on the environmental impacts of industrial development on wildlife habitats.
Forest Ecology Specialist	Finishing a masters in Forest Ecology (Univ. of Quebec at Montreal, Canada), he has conducted research for the past 3 years on canopy gap dynamics in southern boreal forests of eastern Canada, specifically evaluating the impact of natural agents such as the eastern spruce budworm. Since 2001 he is member of the professional Order of Forest Engineers of Quebec (OIFQ)
Peer Reviewers	Notes
Peer Reviewer 1	Has a B.S. degree in Forestry from Unity College, over 30 years experience in public lands forestry in northern New England, and currently practices as a consulting biologist.
Peer Reviewer 2	Has a PhD in Forest Resources from the University of Maine, 15 years experience in

forest science, and currently works as a research silviculturalist in northern New England.

6.3 Checklist Preparation

The audit checklist was prepared using the FSC-endorsed regional standard (FSC US North East Regional Standard, version 8). A copy of this standard is available from FSC US website at www.fscus.org

Standard Used in Evaluation	Effective Date	Version Nr	Changes to Standard
FSC Accredited National Standard for US North East	12/02/2004	8	Na

6.4 Stakeholder notification

A wide range of stakeholders were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant forest management issues, These included environmental interest groups, local government agencies and forestry authorities, forest user groups, and workers' unions. The full list of stakeholders that were contacted is available from SGS. Responses received and comments from interviews are recorded under paragraph 13 of this Public Summary.

7. THE EVALUATION

The Main Evaluation was conducted in the steps outlined below.

7.1 Opening meeting

An opening meeting was held at Windsor, Quebec. The scope of the evaluation was explained and schedules were determined. Record was kept of all persons that attended this meeting.

7.2 Document review

A review of the main forest management documentation was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

7.3 Sampling and Evaluation Approach

A detailed record of the following is available in section B of the evaluation report. This section does not form part of the public summary, but includes information on:

- Sampling methodology and rationale;
- FMUs included in the sample;
- Sites visited during the field evaluation; and
- Man-day allocation.

The evaluation was done at the same time as for the Quebec forests considering all forests are under the same management responsibility and that part of Maine properties (Sherdon) are covered by Estrie Unit management plan.

A visit to both Sherdon and MTH were made during the audit. Various sites were visited in Sherdon area (450, 450c) by 3 auditors during one day, including recently harvested sites under selection system on steep slopes (March 2005 and June 2004) and river crossing. An addition day visit was done in MTH by one auditor.

7.4 Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites was visited to evaluate whether practices met the required performance levels.

7.5 Stakeholder interviews

Meetings or telephone interviews were held with stakeholders as determined by the responses to notification letters and SGS discretion as to key stakeholders that should be interviewed. These aimed to:

- clarify any issues raised and the company's responses to them;
- obtain additional information where necessary; and
- obtain the views of key stakeholders that did not respond to the written invitation sent out before the evaluation.

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
MAIN EVALUATION			
12	8	3	1
SURVEILLANCE 1			
0	0	0	0
SURVEILLANCE 2			
3	0	0	3
SURVEILLANCE 3			
5	0	0	5
SURVEILLANCE 4			

Responses received and comments from interviews are recorded under paragraph 0 of this Public Summary.

7.6 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR):

- Major CARs - which must be addressed and re-assessed before certification can proceed
- Minor CARs - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit

A record was kept of persons that attended this meeting.

8. EVALUATION RESULTS

Detailed evaluation findings are included in Section B of the evaluation report. This does not form part of the public summary. For each standard requirement, these show the related findings, and any observations or corrective actions raised. The main issues are discussed below.

8.1 Findings related to the general QUALIFOR Programme

Important introduction note :

As explained above (see note in section 3), management of Domtar inc. Maine forest lands is intimately done with the Quebec properties. These properties were also under a FSC audit at the same time. All Domtar inc. Maine forest lands under assessment are located along the Canadian-US border and are part of larger forest blocks split by the international border. Hence, the forest ecology, and management practices are similar on both part of the border. Furthermore, Sherdon area is part of the Estrie Forest Management Unit and is covered under the same management plan. MTH is a separate FMU and has its own management plan. The report below, addresses the issues in a consistent manner with those identified in Quebec, in some cases, reference to Quebec is inevitable. Only the social and legal issues are dealt with according to the regional context.

Strengths	Weaknesses	Compliance with criterion
PRINCIPLE 1: Compliance with law and FSC Principles		
Criterion 1.1 Respect for national and local laws and administrative requirements		
Legal requirements are communicated into the field by Domtar staff and through the instructions to be followed by the operators. A letter from State of Maine, department of conservation, Maine Forest Service, dated May 2005, states that there is no known violation on Domtar properties.	ISO 14001 system is not yet implemented in Maine properties. See Observation 9.	A good system is in place to ensure compliance. No significant legal non-compliances were observed. Domtar complies to this criterion.
Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges		
All appropriate taxes are paid. Sampling was done to check the payment of cut taxes and Maine property tax.	No weak elements are reported	Domtar complies with this criterion.
Criterion 1.3 Respect for provisions of international agreements		
International agreements such as The Convention on Biological diversity and International labour organization were identified. ILO and CITES were signed by USA.	No weak elements are reported.	Domtar complies with this criterion.
Criterion 1.4 Conflicts between laws and regulations, and the FSC P&C		
No conflicts were identified		Domtar complies with this criterion.
Criterion 1.5 Protection of forests from illegal activities		
Road access to the resource is controlled by Domtar.		No illegal activities were recently recorded. Domtar complies with this criterion.
Criterion 1.6 Demonstration of a long-term commitment to the FSC P&C		
Domtar is clearly demonstrating its commitment to implementing FSC Principle and Criteria through its various Policies : environmental, Forestry and wood supply (projected policy). As a corporation, Domtar inc, has made the commitment to certified all its forests across Canada and its US properties. Numerous evidences are confirming this is being implemented.	No weak elements are reported.	Domtar complies with this criterion.

Strengths	Weaknesses	Compliance with criterion
PRINCIPLE 2: Tenure and use rights and responsibilities		
Criterion 2.1 Demonstration of land tenure and forest use rights		
Domtar owns all the forests under assessment. Tittles deeds are kept in Montreal headquarter office. Ownership is managed with InfoLot software. All information on the property is listed including a description of the neighbourhood.	No weak elements are reported.	Domtar complies to this criterion.
Criterion 2.2 Local communities' legal or customary tenure or use rights		
No significant community's legal or customary rights are reported.	No weak elements are reported.	Domtar complies to this criterion.
Criterion 2.3 Disputes over tenure claims and use rights		
No significant dispute is reported. If disputes over property boundaries occur, these are dealt with on a case by case basis.	No weak elements are reported.	Domtar complies to this criterion.
PRINCIPLE 3: Indigenous peoples' rights		
Criterion 3.1 Indigenous peoples' control of forest management		
No comments	In order to fully comply with the P3 requirement, Domtar needs to identify and document the history of the territory use by Passamaquoddy and Penobscot.	Informed consent is provided in the context of the Maine Land Claims Settlement of 1980. This agreement is understood to have settled outstanding claims that Maine native peoples had to public and private lands in Maine. A minor corrective action request (CAR m02) is submitted to Domtar to address non-conformities.
Criterion 3.2 Maintenance of indigenous peoples' resources or tenure rights		
Currently, there is no First Nations claim and no occupation on the territory under FSC assessment. There is no legal or usage rights either on the resource.	Observations are formulated to address the need to perform an assessment of the resources potentially claimed by the First Nations and the tenure rights.	Within the private forest context, the audit team assessed that Domtar was in compliance with this requirement although additional work is needed.
Criterion 3.3 Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples		
A few sites presenting a cultural and religious interest were identified (Mont-Saint-Sébastien in Quebec).	There is no specific measures to protect possible First Nations values that could be found on the territory (an observation was formulated).	An observation (01) is formulated in order for Domtar to perform a more systematic analysis and implement protective measures if applicable.

Strengths	Weaknesses	Compliance with criterion
Criterion 3.4 Compensation of indigenous peoples for the application of their traditional knowledge		
In the context of this forest management, traditional knowledge is not required . There is no traditional presence on the forest territory.	Although there is no First Nations settlements on Domtar forest territory, the applicant could ensure that is traditional knowledge is used, there is a provision for compensations.	Within the private forest context, the audit team assessed that Domtar was in compliance with this requirement
PRINCIPLE 4: Community relations and workers rights		
Criterion 4.1 Employment, training, and other services for local communities		
The applicant uses contractors' services from Estrie, Beauce, and Maine Harvesting and silvicultural work is performed contractors from Estrie and Beauce. Domtar gives work opportunities to over 300 employees.	No weak points are reported.	Domtar complies with this criterion.
Criterion 4.2 Compliance with health and safety regulations		
Over 300 employees work on Domtar properties. The safety program consists of : <ul style="list-style-type: none"> - The emergency plan, describing the emergency measures to implement in case of an accident - The induction training focusing on health and safety; - A behaviour examination program; - Requirements related to Personal Protective Equipments. Domtar has implemented 3 years ago an environmental management system containing a system to manage emergency situations. All employees and contractors are subject to this plan. The plan is tested on a regular basis and its implementation is audited by external auditors on a regular basis.	There is no weak point to report on this criteria.	Domtar complies with this criterion.
Criterion 4.3 Workers' rights to organise and negotiate with employers		
All workers are free to join a Union. Beauce workers assigned to commercial harvesting are using this right.	There is no weak point to report on this criteria.	Domtar complies with this criterion.
Criterion 4.4 Social impact evaluations and consultation		
A consultation and information process does exist between Domtar and the County Regional Municipalities (MRC) in Quebec. This communication is adequate, however, not sufficient as the information is not systematically forwarded to key resource users (hunting and fishing clubs). Domtar participates to the development of local organizations by financing various activities (about 1% of the profit before taxes is allocated to this funding). In addition, the applicant is involved in various regional activities to promote forest certification and forest management concepts.	Only elected municipal staff have the opportunity to share their concerns on forest management without being part of the planning process though. The actual communication process needs to be improved in order to communicate the planned forest operations to the stakeholders. Lease agreements with Hunting and Fishing Clubs should be more flexible to allow their concerns to be expressed and taken into consideration if relevant.	A minor corrective action request is raised CAR m03).
Criterion 4.5 Resolution of grievances and settlement of compensation claims		
Mechanisms to resolves grievances and compensate in a fair and equitable manner exist in cases of loss or damages related to legal rights, properties and resources.	There is no weak point to report on this criteria.	Domtar complies with this criterion.

Strengths	Weaknesses	Compliance with criterion
PRINCIPLE 5: Benefits from the forest		
Criterion 5.1 Economic viability taking full environmental, social, and operational costs into account		
<p>The applicant has demonstrated that the resources to implement the management plan are available. Economic viability of forest operations was not demonstrated in detail, however, considering the commercial type activity and the highly competitive situation of this industry, it appears that forest management and forest land is a viable strategy to secure a long term fibre supply to the Windsor pulp and paper mill, especially when the price of the raw material is rising.</p> <p>Finally, it is the overall Domtar economic viability that needs to be demonstrated. Domtar is a privately owned company, listed in the Toronto stock exchange which profitability varies according to the international context. To conclude, the economic viability is not questioned, and Domtar commitment to invest in good forest management is demonstrated through the implementation of an Environmental Management System and the FSC Principles and Criteria.</p>	<p>There is no weak point to report on this criteria.</p>	<p>Domtar complies with this criterion.</p>
Criterion 5.2 Optimal use and local processing of forest products		
<p>Procedures and instructions are implemented to minimize waste left on site and to optimize the fibre use of the fibre.</p>	<p>There is no weak point to report on this criterion.</p>	<p>Domtar complies with this criterion.</p>
Criterion 5.3 Waste minimisation and avoidance of damage to forest resources		
<p>Technical guides with the minimum requirements for topping and cross-cutting are communicated to operators (document 200.02.A 01). Domtar supervisors ensure these instructions are followed. A clause in the operators' contract also refers to these instructions.</p> <p>Branches are cut on the roadside and brought back into extraction roads to minimize the impact on the soil.</p> <p>Landing sites are cleared of the wood debris and reforested..</p>	<p>Some isolated damage to soils and trees were seen on Quebec properties. Corrective action request m06 was raised.</p>	<p>Considering that damages were not observed on all operation visited, a minor corrective action request was formulated.</p>
Criterion 5.4 Forest management and the local economy		
<p>Few outdoor activities are practiced on Maine Domtar properties (recreation , hunting and fishing). Sugar bushes activity is not allowed as conflicting with the use of wood, and incurs loss of sawn wood quality.</p>	<p>There is no weak point to report on this criteria.</p>	<p>Domtar complies with this criterion.</p>
Criterion 5.5 Maintenance of the value of forest services and resources		
<p>Generally, the forest management plans developed by Domtar consider non timber resources in addition to the fibre resources. Field instructions were developed to address the management of other resources such as soils, water and wildlife. The use of the territory for outdoor activities also shows an opening towards the valorization of other non timber resources.</p>	<p>The management plans address the use of Domtar forest land by hunting and fishing associations, and stipulate that they need to comply with legal applicable requirements. However, agreements signed with the various Clubs do not show any clear provision to address issues related to forest operations and do not have an efficient communication mean.</p> <p>A corrective action request was formulated.</p>	<p>See corrective action request m05.</p>

Strengths	Weaknesses	Compliance with criterion
Criterion 5.6 Harvest levels		
<p>The harvest level is calculated by an Annual Allowable Cut provided by SYLVA II software. During the audit, Domtar foresters responsible for the calculation showed that data used were reliable, and that they were using relatively new inventory data (1998-2000). In addition, it was demonstrated that the harvest levels set for the years were based on conservative growth yield.</p> <p>The calculation was done for the productive private forest area locate in Quebec and Maine. Non productive areas such as ancient forests, buffer zones, roads etc were not considered in the calculation, also, the calculation has taken into account a reduction to take into account volumes affected by harvest.</p> <p>The latest calculation dates back in 2002. The simulation is done over 150 years and integrates the silvicultural strategy based on shelter-wood covering 52% of the managed area.</p> <p>For the first calculation period (2002-2007), harvesting levels exceeded by 13% the 2002 AAC. This increased harvesting level is justified by the availability of mature trees in mixed stands. This situation allows a 150% harvesting level for the first period and 100% thereafter without jeopardizing sustainable management.</p>	<p>An observation was formulated in order to keep an external monitoring on the harvest levels for the first period AAC calculation (2002-2007), to ensure that sustainability is respected.</p>	<p>Domtar complies with this criterion. However, an observation (02) was raised.</p>
<p>PRINCIPLE 6: Environmental impact</p> <p>Introduction note : there is no significant failure with this principle, however, the response to a number of criteria can be further developed or improved . Domtar has managed to include the participation of specialists in order to better understand environmental issues occurring on its territory and improve its management practices.</p> <p>Note d'introduction : il n'y a pas de lacunes importantes pour ce principe, mais toutefois plusieurs éléments sont manquant ou devraient être améliorés. La collaboration de quelques spécialistes a permis à Domtar inc. de mieux connaître les enjeux environnementaux de son territoire et d'améliorer ses pratiques de gestion.</p>		
Criterion 6.1 Environmental impacts evaluation		
<p>At the global level, Domtar makes significant efforts to raise the level of protection of the environment on its territory. This is demonstrated by the consultation and or the collaboration of known scientist (Dr. André Plamondon from Laval University on the effect of clearcuts on permanent streams), by local credible organizations (study on Grande Coulee River ecological values done by Chaudière Private Forest Organization), by the Quebec Government (Rising the forest workers awareness to forest operations in wetland areas).</p> <p>A detailed analysis of forest operations environmental impacts was done as part of the ISO 14001 process to identify all environmental aspects. This analysis was systematic and allowed to identify and rank all impacts. Significant impacts are dealt with mitigation measures through field instructions or environmental programs.</p>	<p>However, at the site specific level, an improvement is necessary to identify systematically all potential impacts and their associated mitigation measures and a monitoring following the operations (see criterion 6.5 and corrective action m06).</p>	<p>Domtar partially respond to this criterion. A CAR m06 is raised.</p>
Criterion 6.2 Protection of rare, threatened and endangered species		
<p>Domtar has a list of threatened and endangered species based on the data from <u>Centre de Données sur le Patrimoine Naturel du Québec (CDPNQ)</u>. A monitoring is perform on the habitat only in cases where operations are planned or performed. Maps exist, although the information is focusing on timber.</p> <p>All employees and contractors have been given training</p>	<p>In the case of large forest areas, Domtar could identify stands that are mature, assess their representativity and decide the need for protection.</p>	<p>Overall, Domtar complies adequately to the requirements of this criteria. An observation (04) is raised.</p>

Strengths	Weaknesses	Compliance with criterion
on threatened and endangered species.		
Criterion 6.3 Maintenance of ecological functions and values		
<p>The management plan refers to forest management objectives aiming at reproducing the patterns caused by natural disturbances. Most of the harvesting is done on marked trees and very limited clear-cutting is used. Riparian zones along streams and wetlands are left untouched.</p> <p>Forest roads cover 2.5% of the forest area. Considering the need to travel (for management purposes and other users need) and the limited size of most properties, it is justified not to closed roads.</p> <p>Access to properties is generally well under control. With the collaboration of the Hunting and Fishing Clubs and the use of gates.</p>	<p>Although referred into the management plan, the implementation of a management based onto natural disturbances patterns still need to be demonstrated.</p> <p>For example, there are no objectives or any clear instructions addressing residual retention, and the number of snags to left on site following harvesting. There is no monitoring of these elements either (see CAR m05). Observations are also raised (06 and 06).</p>	Domtar partially complies with this criterion. A CAR is formulated (m05).
Criterion 6.4 Protection of representative samples of existing ecosystems		
<p>Domtar is awaiting the results of 2 studies which will fill the knowledge gap related to the regional representativity of forest ecosystems. Quebec Nature Conservancy, has recently been donated from Domtar inc. a 4000 ha of almost undisturbed forests in the Mont Sutton area in Quebec, has initiate such a study.</p> <p>The Quebec Ministry of the Environment is also performing a study on the same topic.</p> <p>At the regional level, there is a number of large forest areas which help to achieve the protected ecosystem network such as Frontenac, Mount Orford and Megantic Provincial Parks (respectively 15 000 , 5 800 and 5 500 hectares). In Maine, over 70 000 hectares of similar forest type are protected from commercial logging in the nearby Baxter State Park.</p>	No comments.	Domtar complies globally to this criterion. An observation (07) is formulated to address the need to identify and protect rare ecosystems.
Criterion 6.5 Protection against damage to soils, residual forest and water resources during operations		
There is an efficient control and mitigation system to minimize the impacts of forest operations. This was implemented as part of the ISO 14001 (see details in 6.1). This system is implemented through instructions and training of operators.	The assessment and monitoring of the impacts at the site level needs to be more systematic, and the field monitoring documentation could be more detailed and could refer to the best management practices. See CAR m01.	Domtar does not fully complies with this criterion. A Major CAR is formulated (M01). Following a additional visit, the major CAR was closed-out. See close-out details at the end of the report.
Criterion 6.6 Chemical pest management		
No pesticides are used.	No significant weaknesses are reported.	Domtar complies adequately to this criterion.
Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes		
<p>Domtar manages its hazardous waste in a responsible manner. Chemicals and their container are disposed off by their users.</p> <p>The emergency procedure describes the actions to be taken in case of spills. Contractors are trained and monitored on a regular basis on the respect of the requirements.</p>	No significant weaknesses are reported.	Domtar complies adequately to this criterion. However see observation 07 on ISO 14001 implementation in Maine.
Criterion 6.8 Use of biological control agents and genetically modified organisms		
Domtar does not use any genetically modified	No significant weaknesses are	Domtar complies adequately to this

Strengths	Weaknesses	Compliance with criterion
organism.	reported.	criterion.
Criterion 6.9 The use of exotic species		
There are no plantations in Maine.	No comments	Domtar complies with this criterion.
Criterion 6.10 Forest conversion to plantations or non-forest land uses		
No conversions are done in Maine.	Landing sites need to be monitored to ensure adequate restoration and revegetation as per the internal procedure.	Domtar partially complies with this criterion. An observation (03) was raised.
PRINCIPLE 7: Management plan		
Criterion 7.1 Management plan requirements		
<p>Actual general management plans cover a 10 year period from 2000 to 2010. They contain general information on the forestry structure of the territory, a presentation of the management objectives, on the annual allowable cut, on the silvicultural systems used, on the overall management and on the associated action plans (five year and annual plan of operation).</p> <p>The plan gives appropriate general information and good mapping information.</p> <p>As indicated in Principle 5, the harvest level is calculated by a Annual Allowable Cut provided by SYLVA II software. During the audit, Domtar foresters responsible for the calculation showed that data used were reliable, and that they were using relatively new inventory data (1998-2000). In addition, it was demonstrated that the harvest levels set for the years were based on conservative growth yield.</p>	No weak elements were observed.	Domtar complies adequately to this criterion.
Criterion 7.2 Management plan revision		
<p>Forest management plans are revised at least every 10 years or as needed. They can be revised for various reasons such as changes in the overall area of the property, environmental disaster (ice storm), changes in the management strategy, requests from stakeholders or a municipality...</p> <p>The last revision of the 2000-2010 plans was done in 2004.</p> <p>Management plans mention that the identification and the analysis of potential environmental impacts are addressed through the ISO 14001 system.</p>	<p>See section 4.4</p> <p>The consultation and communication of the management plan could be improved. See observation.</p>	Observation
Criterion 7.3 Training and supervision of forest workers		
<p>In order to ensure that management plans are implemented adequately, Domtar organizes annual training for forest workers on the Environmental Management System and its associated work instructions.</p> <p>Training is adequate and consists of a number of courses (health and Safety, rare and endangered species identification, instructions...). Monitoring checklists help to ensure a control on the quality of the work.</p>	No weak elements were observed.	Domtar complies with this criterion.
Criterion 7.4 Public availability of the management plan elements		
Domtar make its 5 years management plan available for consultation to the public. A summary of the 2000-2010 management plan, dated May 2005 was produced. This summary addresses of management objectives, of	No weak elements were observed.	Domtar complies with this criterion.

Strengths	Weaknesses	Compliance with criterion
the species protection strategy, and gives basic information on forest structure and harvesting techniques, in addition to non-forest values.		
PRINCIPLE 8: Monitoring and evaluation		
Criterion 8.1 Frequency, intensity and consistency of monitoring		
<p>The program implemented by Domtar to monitor its forest management activities addresses the following :</p> <ol style="list-style-type: none"> 1. Yield of forest products; 2. Growth rates, regeneration and state of the forest; 3. Changes to wildlife and flora; 4. Impact on values and natural resources; 5. economical factors; 6. Chain of custody; 7. Other factors. <p>The table: Monitoring and Assessment, details the activities for each point listed above.</p>	<p>Following the 3 days field audit in various activity sectors including Sherdon, ME, the audit team is confident to declare that the monitoring is performed according to what was planned, however, see major.</p>	<p>Domtar partially complies to this criterion, CAR m06 raised.</p>
Criterion 8.2 Research and data collection for monitoring		
<p>Various procedures address the monitoring needs for example : permanent sampling plots, volumes of wood affected by forest operations, regeneration inventories, control and monitoring of roads and bridges, control and monitoring of forest operations, control and monitoring topping and cross-cutting, harvesting trails use, hybrid poplar, monitoring report of forest operations, monitoring of silviculture activities on an annual basis, monitoring of High Conservation Value Forests.</p>	<p>See also criteria 6.5 for details on non-conformity.</p>	<p>The monitoring performed is not fully addressing the FSC requirements, a CAR m04 is raised.</p>
Criterion 8.3 Chain of custody		
<p>Domtar inc. Windsor mill has already implemented a FSC chain of custody (SGS-COC-1718) and therefore, there is a reliable system to ensure appropriate segregation of the woods. Fibres from future certified forests will be stored separately in the log yard, and will be linked to documentation on their origin, they will be entered into a certified wood data base (in the context of a chain of custody based on the credit system).</p>	<p>No weak point is identified.</p>	<p>Domtar adequately complies to this requirement.</p>
Criterion 8.4 Incorporation of monitoring results into the management plan		
<p>Monitoring results are integrated into the annual plan of operations. Generally, monitoring results are used to influence field operations.</p>	<p>No weak point is identified.</p>	<p>Domtar adequately complies to this requirement.</p>
Criterion 8.5 Publicly available summary of monitoring		
<p>A summary of the monitoring results is produced annually and made available upon request.</p>	<p>No weak point is identified.</p>	<p>Domtar adequately complies to this requirement.</p>
PRINCIPLE 9: High Conservation Value Forests		
Criterion 9.1 Evaluation to determine high conservation value attributes		
<p>Domtar has produced, with the help of external resources, a study for identification of High Conservation Value Forests (HCVF) in Watopeka area (Qc). This report is an excellent quality and offers practical recommendations to Domtar with an aim to comply with FSC requirements on Principle 9. Domtar has then used the template developed for Watopeka to</p>	<p>The authors of the study have mention that some HCVF have not been identified for various reasons : data were not available, computer data were not organized in a meaningful way. First Nation and other resource users inputs were not</p>	<p>Minor CAR m06 was raised to identify the need to complete the HCVF study, including the its validation.</p> <p>Update in 2008 : there are no HCVF identified in</p>

Strengths	Weaknesses	Compliance with criterion
the entire property using the inventory data.	considered. Furthermore, the document was not validated by an external credible party. CAR m06 was raised.	Maine. Steep slopes were identified at first, but were not retained. Slopes are managed with an adapted forest management practice as per the Maine Forestry BMPs.
Criterion 9.2 Consultation process		
See criterion 9.1	See CAR m06	
Criterion 9.3 Measures to maintain and enhance high conservation value attributes		
The identification of HCVF is a recent exercise. Measures were identified and implemented to maintain the attributes, it is however premature to assess the efficiency of these measures. This will be done through the following maintenance audits	Measures to enhance the attributes are not clear.	An observation (08) is raised.
Criterion 9.4 Monitoring to assess effectiveness		
Monitoring is performed on selected attributes.	All attributes are not yet subject to a formal monitoring. See CAR m04.	See CAR m04.
PRINCIPLE 10: Plantations		
Criterion 10.1 Statement of objectives in the management plan		
There currently are no plantations in Domtar's Maine forests. This principle does not apply.		

9. CERTIFICATION DECISION

SGS considers that Domtar's forest management of Maine's forests (Sherdon and MTH) can be certified as:

- i. There are no outstanding Major Corrective Action Requests
- ii. The outstanding Minor Corrective Action Requests do not preclude certification, but Domtar is required to take the agreed actions before December 2005. These will be verified by SGS QUALIFOR at the first surveillance to be carried out about 12 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.
- iii. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;
- iv. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

10. MAINTENANCE OF CERTIFICATION

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as one of two types of Corrective Action Request (CAR):

- .01 **Major CARs** - which must be addressed and closed out urgently with an agreed short time frame since the organisation is already a QUALIFOR certified organisation. Failure to close out within the agreed time frame can lead to suspension of the certificate.
- .02 **Minor CARs** - which must be addressed within an agreed time frame, and will normally be checked at the next surveillance visit

The full record of CARs raised over the certification period is listed under section 11 below.

The table below provides a progressive summary of findings for each surveillance. A complete record of observations demonstrating compliance or non-compliance with each criterion of the Forest Stewardship Standard is contained in a separate document that does not form part of the public summary.

SURVEILLANCE 1	
Issues that were hard to assess	No issues were hard to assess.
Number of CARs closed	_5_ Outstanding CARs were closed.
Nr of CARs remaining open	_1_ Outstanding CARs from previous evaluations were not closed.
New CARs raised	_0_ New Major CARs and _0_ Minor CARs were raised.
Certification Decision	<p>The forest management of the forests of Domtar Maine operations remains certified as:</p> <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 2	
Issues that were hard to assess	No issues were hard to assess
Number of CARs closed	_1_ Outstanding CARs were closed.
Nr of CARs remaining open	_0_ Outstanding CARs from previous evaluations were not closed.
Nr of New CARs raised	_0_ New Major CARs and _1_ Minor CARs were raised.
Certification Decision	<p>The forest management of the forests of Domtar Maine operations remains certified as:</p> <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 3	
Issues that were hard to assess	No issues were hard to assess
Number of CARs closed	0
Nr of CARs remaining open	1
Nr of New CARs raised	3
Certification Decision	<p>The forest management of the forests of Domtar Maine operations remains certified as:</p> <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and <p>The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.</p>
SURVEILLANCE 4	

Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Certification Decision	

11. RECORD OF CORRECTIVE ACTION REQUESTS (CARs)

CAR #	Indicator	CAR Detail			
		Date Recorded>	Due Date>	Date Closed>	
M01	6.5a, d	10 06 05	10 09 05	08 09 06	
Non-Conformance:					
<p>SFIS Objective 3, Performance Measure 3.1 and FSC US NE criteria 6.5 (indicator 6.5d) require that Domtar “meet or exceed best management practices developed under U.S. Environmental Protection Agency-approved state water quality programs.” These approved programs are represented in the state of Maine by the BMP manual published by the Maine Forest Service.</p> <p>PM 3.1, Indicator 1 requires implementation of these BMPs during all phases of management activities.</p> <p>Indicator 2 requires contract provisions that specify compliance to these BMPs.</p> <p>Indicator 3 requires plans to address wet-weather events.</p> <p>Indicator 4 requires monitoring of BMP implementation.</p>					
Objective Evidence:					

CAR #	Indicator	CAR Detail												
		<p>Evidence from field inspections indicates that provisions within the BMP manual which address management of water flow within the harvest areas have not been implemented and are not being monitored. Specifically:</p> <p>BMP pg. 82, (1) states "Construct trails using simple structures that divert water". Field inspections revealed very few water control structures on skid trails.</p> <p>BMP pg. 82, (2) states "...make sure any sediment is filtered out before it reaches surface water". Water was observed on the Sherdon harvest site flowing directly down a disturbed skid trail into a small stream.</p> <p>BMP pg. 83, (2) states "Locate water bars and other diversions frequently enough to prevent water from accumulating." Skid trails were observed in both Sherdon and MTH with constant slopes and disturbed mineral soil well in excess of guidelines in the BMP manual. Water was observed accumulating and flowing along many skid trails in the Sherdon harvest site.</p> <p>BMP pg. 86, (2) states "Inspect and maintain water bars periodically to prevent water channels from developing in the trails." Field evidence at Sherdon harvest site suggests that water bars were neither installed nor maintained during the harvest. Water channels are observable on many skid trails, including one that flows directly into a small stream (see above).</p> <p>BMP pg. 87, (1) states "Close out unused trails as the job progresses." (2) and (3) further describe close out procedures. Concluded harvest operations in Sherdon and MTH have many trails which are not stabilized according to BMP guidelines. Some of these sites pose continuing risk of erosion. Domtar foresters indicated that no plans are presently in place to stabilize and close out these sites further.</p> <p>Monitoring provisions now in place do not adequately address the key issues concerning controlling water flow in harvest areas, as identified by the BMP manual: installation, maintenance, and close out.</p> <p>Procedures now in place to address wet-weather events are not sufficient to prevent significant erosion potential from developing, as evidenced by the Sherdon harvest site.</p> <p>Contract provisions do not now require specific adherence to applicable BMPs in Maine.</p> <p>Close-out evidence:</p> <p>On 8/30/05 SGS auditor Daniel Simonds conducted a follow-up visit of Domtar's Sherdon Property in Maine to view and inspect on the ground Corrective Actions taken since June. Three Domtar foresters were present (Bruno Moreau, Patrick Cartier, ...) as well as two contractors involved in remedial and ongoing harvesting and road construction work on the property.</p> <p>The audit began with an inspection of the site visited earlier during the June audit which lead to the non-conformity finding. The numerous skid trails on the site (harvested in the fall of 2004) have been evaluated for erosion hazard and water bars installed as appropriate to stabilize the site. Water flow on the site, which had been significantly canalized in trail ruts has been effectively controlled and appropriately diverted onto the undisturbed forest floor as recommended by the Maine BMP Guide. An instance of sediment flowing into a small stream has been corrected, and the effected stream banks stabilized by seeding and mulching.</p> <p>Domtar's harvest planning and layout system was also evaluated in practice in a complex site adjacent to a major brook. Cut layout lines followed procedures and were effective in identifying different harvest prescriptions, riparian zones, stop lines, and small intermittent brooks.</p> <p>Overall, harvesting and road building procedures now in place on Domtar's Maine lands have sufficient provisions applied on the ground to fully implement Maine BMPs as required by the standard.</p>												
02 (02 Qc)	3.1.a	<table border="1"> <tr> <td data-bbox="534 1899 738 1973">Date Recorded></td> <td data-bbox="738 1899 892 1973">10 06 05</td> <td data-bbox="892 1899 1045 1973">Due Date></td> <td data-bbox="1045 1899 1198 1973">10 09 05</td> <td data-bbox="1198 1899 1367 1973">Date Closed></td> <td data-bbox="1367 1899 1492 1973">08 09 06</td> </tr> <tr> <td colspan="6" data-bbox="534 1973 1492 2024">Non-Conformance:</td> </tr> </table>	Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 09 06	Non-Conformance:					
Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 09 06									
Non-Conformance:														

CAR #	Indicator	CAR Detail					
		<p>Domtar doesn't demonstrate an appropriate knowledge of First Nations, of their legal and customary rights.</p> <p>The opening shown by Domtar with regards to First Nation participation to certain management activities remains preliminary and an implemented effort still needs to be demonstrated (implementation of the agreement between the Quebec government and First Nations Band Councils).</p> <p>Domtar will need to identify and document the land occupation by the various First Nations Odanak, Wolinak, in Quebec and Passamaquoddy and Penobscot in Maine on forest lands where certification applies.</p> <p>Objective Evidence:</p> <p><u>In Maine:</u> according to V.P Fibre supply in Montreal, and the Communication director, Domtar Maine, First Nations rights were extinct in the 80' following agreements with the federal government. Usage and customary rights are non existent on Sherdon and MTH Maine forest properties. The GIS specialist for the Passamaquoddy band in Maine, mentioned that Gorham Gore and Beattie Domtar land would not be under tribal bands and are not subject to usage and customary rights. Information for T12R17 is not available.</p> <p>Close-out evidence:</p> <p>Quebec and Maine : First Nation settlement history is better documented and understood. Additionnal communities were also identified (Alnombak, Weetchumpee).</p> <p>A document, Domtar private land management, addressing the use of the other ressources is also being prepared and will be finalized during autumn 2006. A section on access and ressource use requests addresses how to handle First Nation.</p> <p>In Maine, Domtar has met a Passamaquoddy First Nation representative. A specific need was addressed for the use of black ash on Domtar properties. This was accepted and an agreement is being finalized.</p> <p>This CAR is closed-out. A monitoring of the agreement and of the final Domtar land management document will be done at the next visit.</p>					
03 (04 Qc)	4.4 b	Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 09 06
Non-Conformance:							
The stakeholder information process is not formalized. The public and other forest resources users have limited opportunities to be informed.							
Objective Evidence:							
In Maine, Domtar needs to demonstrate that regional and municipal objectives are taken into account and that local stakeholders affected by forest management have the opportunity to be consulted and to provide comments on management plans (see FSC US North East region, criterion 4.4).							
Close-out evidence:							
Quebec : a programme to meet with various in terested parties is developed, including hunting and fishing associations. Stakeholders, Club representatives and their members have acces to Domtar internet website where information on 5 years forest plans are available.							
Maine : Interested parties LURC and Fishing and Hunting associations. Annual plan is sent every year to LURC before any opérations begin. Other parties can consult the5 years plans on the internet. Closed-out.							
See also details on CAR 5 (Quebec). This CAR is closed-out.							
04 (06 Qc)	8.2	Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 09 06
Non-Conformance:							

CAR #	Indicator	CAR Detail					
		<p>Site specific impact assessment and monitoring system could be more systematic and field checklists could refer to good management practices.</p> <p>For example, such field checklists could cover :</p> <ul style="list-style-type: none"> • explicit environmental impact mitigation measures (reference to good forest management practices); • a systematic assessment of damages to residual stands rather than a system based on sampling; • criteria to assess the impact of forest operations on water quality (included road and bridge building); • precise criteria to monitor rutting, linked to a decision making on whether to stop or not the operations (see l'instruction 200.02.A); • site specific conservation criteria (such as snags, buffer zones, HCVF, rare plants, etc.) <p>Such monitoring checklist should systematically be used to assess operator's performance and the respect of mitigation measures after operating on site.</p> <p>Objective Evidence:</p> <p>Rutting problems observed in selective harvesting areas (see CAR 1).</p> <p>Close-out evidence:</p> <p>Monitoring documents were modified and were completed in order to take into account rutting, culvert quality, damages to the residual stand. This CAR is closed-out.</p>					
05 (07 Qc)	6.3	Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 09 06
Non-Conformance:							
<p>Although it is referred to in management plans, implementation of a forest management based on natural disturbances still needs to be demonstrated.</p> <p>For example, there are no objectives nor any specific instructions related to residual stand, on snags to be left on site following harvesting. There is no monitoring of these elements.</p>							
Objective Evidence:							
<p>Operators are aware of the need to leave standing snags, considering safety issues; however, there is no guidance on the number of snags to leave.</p> <p>Residual retention: no guidance on how and when to implement such a concept.</p>							
Close-out evidence:							
<p>Maine study is used as a reference at the management level to promote long term biological diversity in hardwood and softwood stands. Implementation observed in the field through the knowledge and practices. CAR is closed-out.</p>							
06 (08 QC)	9.1b	Date Recorded>	10 06 05	Due Date>	10 09 05	Date Closed>	08 11 2007
Non-Conformance:							
<p>Some potential stakeholders, able to identify conservation attributes were not consulted during the elaboration of the HCVF report.</p> <p>The report is not yet validated by an external party.</p> <p>The validation process of HCV in the field and the process to enhance the presence of identified HCV are not clear,</p> <p>Monitoring for all HCV is not yet formalized.</p>							
Objective Evidence:							
<p>Report validation, monitoring implementation.</p>							

CAR #	Indicator	CAR Detail					
		<p>Close-out evidence:</p> <p>HCVF guide was reviewed in October 2005. External validation is not yet totally finalized. Some values could be revised in order to better focus the HCVF strategy.</p> <p>This CAR is left open for monitoring.</p> <p>Follow-up 2007 : External validation was done and was found to be adequate. See details in AD 36 B full report. See also observations 12 and 13. CAR is closed.</p>					
07 2007	6.4b	Date Recorded>	07 11 2007	Due Date>	Next surveillance	Date Closed>	Left open until next visit in 2009
Non-Conformance:							
There is no sufficient information to determine if existing protected areas are representative of the commonly occurring forest types.							
Objective Evidence:							
Domtar has not yet designated such areas (nor clearly demonstrated that there is no need to identify and protect such areas). Studies are not available.							
SA2008: Justification of why the CAR is left open for monitoring until 2009: The work of identification is underway and represents an important task for Domtar. The work needs to be credible and scientifically sound. Therefore the audit team accepted to review a partial gap analysis pending the final version in 2009.							
Close-out evidence:							
08 2008	- 7.3	Date Recorded>	28 08 2008	Due Date>	Next surveillance	Date Closed>	dd MMM yy
Non-Conformance:							
Forest workers are not adequately trained to ensure the FMP is implemented.							
Objective Evidence:							
Beattie loader operator was not trained with best Management practices..							
Close-out evidence:							
09 2008	6.7 a, b, d	Date Recorded>	28 08 2008	Due Date>	Next surveillance	Date Closed>	dd MMM yy
Non-Conformance:							
Chemicals, containers, liquid and solid non-organic wastes including fuel and oil are not disposed of in an environmentally appropriate manner							
Objective Evidence:							
Sector Beattie :							
Unattended leaks were observed (loader), used oil burned as heating oil, hazardous waste (grease tubes) were disposed as regular waste.							
Used oils and lubricants are not transported to an approved off-site disposal facility.							
Close-out evidence:							

CAR #	Indicator	CAR Detail					
10 2008	9.4	Date Recorded>	28 08 2008	Due Date>	Next surveillance	Date Closed>	dd MMM yy
		Non-Conformance:					
		There is no formal monitoring programme of the status of the most sensitive High Conservation Values following forest management activities.					
		Objective Evidence:					
		Monitoring programme in place does not fully address HCV monitoring requirements.					
		Close-out evidence:					
11	4.2.a	Date Recorded>	28 08 2008	Due Date>	Next surveillance	Date Closed>	dd MMM yy
		Non-Conformance:					
		The contractors are not implementing safety programs and procedures adequately					
		Objective Evidence:					
		One contractor met in sector Beatty was trained adequately.					
		Close-out evidence:					
12	8.2.d 1	Date Recorded>		Due Date>	Next surveillance	Date Closed>	dd MMM yy
		Non-Conformance:					
		Monitoring programs to assess the impact of forest management on the environment are not complete.					
		Objective Evidence:					
		The control of water flow in harvest areas, implementation of BMPs, and protection of small streams are not addressed by the monitoring.					
		Close-out evidence:					

12. LIST OF OBSERVATIONS

OBS #	Indicator	Detail			
01	3.3b	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		A system could be developed and implemented to identify and protect as appropriate First Nation values during operations if any.			
		Close-out:			
				DOMTAR has demonstrated, though its FN study, that no First Nation values were likely to be found on its properties and that awareness is raised in case a value was identified. Observation closed.	
02	5.6	Observation date	10 June 2005	Close-out date	Nov 2007

		Observation:			
		Domtar could ensure that the effective harvest levels made during the first AAC calculation period (2002-2007) are compatible with the long term sustainable harvesting as mentioned in the forest management strategy.			
		Close-out			
		Observation is closed. See new observation 14 raised in 2007			
03	6.10	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		Domtar could ensure that landing areas are systematically reforested according to the instructions.			
		Close-out			
		Observation left open for monitoring			
04	6.2b	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		For large forests blocks, Domtar could identify mature stands and assess their representativity and consider the possibility for conservation.			
		Close-out			
		Exceptional Forest Ecosystems, respond to the requirements of this criteria. Observation closed.			
05	6.3a8	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		Evaluation of harvest sites indicates that adequate retention of stand level structure and habitat elements is occurring. However, Domtar could develop clear criteria as required by the indicator.			
		Close-out			
		Observation left open for monitoring			
06	6.3 b 2	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		It could be useful to have a clear strategy and/or criteria for accomplishing the requirements of this indicator on diversity for native habitat. This strategy could be also address indicator 6.3.a.5			
		Close-out			
		Observation left open for monitoring			
07	6.4 b	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		While the finalisation of the representativity of the forest ecosystem is still pending, Domtar could identify and decide how rare regional forest ecosystems could be managed (white and red pine stand and possibly cedar stands).			
		Close-out			
		See new CAR 07			
08	9.3b	Observation date	10 June 2005	Close-out date	Next surveillance
		Observation:			
		Domtar could ensure that when a HCVF is shared by different forest owners, all are aware of the conservation approach taken.			
		Close-out			

		Observation left open for monitoring			
09	1.1	Observation date	10 June 2005	Close-out date	Nov 2007
		Observation:			
		ISO 14001 system could also be implemented in Maine to ensure consistency with Quebec forest management.			
		Close-out			
		ISO system is implemented and independently certified.			
10 2006	9	Observation date	September 2006	Close-out date	Nov 2007
		Observation:			
		The situation with the steep slopes (above 40%) could be clarified as it was mentioned that they were considered as HCVF by the management staff but there are no clear evidence of this classification on maps or from discussion with field operator.			
		Close-out			
		Situation was clarified as slopes being considered as HCVF sectors.			
11 2007	6.2a	Observation date	Nov 2007	Close-out date	28 08 2008
		Observation:			
		Good general knowledge of rare and endangered species and measures to implement by the field operators, however, field identification manual could be made available to operators to improve identification skills and awareness.			
		Close-out			
		Information on endangered species were distributed to contractors.			
12 2007	9.4	Observation date	Nov 2007	Close-out date	28 08 2008
		Observation:			
		An update of the HCVF monitoring needs to be done in order to clarify the type of information collected for monitoring purposes every 5 years.			
		Close-out			
		See CAR 10 raised in 2008			
13 2007	9.1	Observation date	Nov 2007	Close-out date	28 08 2008
		Observation:			
		Domtar could justify and provide details of the approach used in the decision to only take into account the rare and endangered level G1 and G2 species in the HCVF identification process.			
		Close-out			
		See new observation 17			
14 2007	5.6.4	Observation date	Nov 2007	Close-out date	28 08 2008
		Observation:			
		Ensure the monitoring of the annual harvested volume to demonstrate the compliance with the new 2007-2008 allowable annual cutting level.			
		Close-out			
		Harvest levels are monitored annually and volumes are balanced over a 5 years period.			
15 2008	8.3.1	Observation date	28 08 2008	Close-out date	dd MMM yy
		Observation:			
		Delivering documentation leaving the forest with certified wood could systematically show Domtar coc number.			

		Close-out			
16 2008	6.5.c	Observation date	28 08 2008	Close-out date	dd MMM yy
		Observation:			
		Guidelines could be developed to decide when log extraction operation should be stopped before causing too much damages to soil (rutting).			
		Close-out			
17 2008	9.1 a	Observation date	28 08 2008	Close-out date	dd MMM yy
		Observation:			
		Criteria for identification of Category 1 HCVF (S1-S3 status species) could be considered in the HCVF identification. Furthermore a registrar of communication with experts should be maintained .			
		Close-out			
		Observation date		Close-out date	dd MMM yy
		Observation:			
		Close-out			
		Observation date		Close-out date	dd MMM yy
		Observation:			
		Close-out			

13. RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS

Nr	Comment	Response
Main Evaluation		
1	<p>A question was raised as to the existence of Domtar's "Cultural Resource Management Plan". If such a plan exists, Ms. Newsom expressed an interest in reviewing and commenting on it.</p> <p>Specific interest was indicated in 1) Black Ash stands and 2) Birch and Cedar trees suitable for canoe building materials. The Penobscots would like to discuss access to sites where these resources may exist (i.e. to peel bark before harvest, etc.).</p>	<p>Domtar does not have a "Cultural Resource Management Plan". However, it was recommended in the assessment report (criteria 3.3) that Domtar better identifies potential values associated to First Nations (observation 1).</p>
Surveillance 1		
	No comments	
Surveillance 2		
	Contractors and operators were met in the field and discussion was held on management practices, hazardous waste management, training and relationship with Domtar. No specific issues were raised by the contractors.	No comments.
Surveillance 3		
Surveillance 4		

14. RECORD OF COMPLAINTS

Nr	Detail		
	Complaint:	Date Recorded >	dd MMM yy
	No complaints to date		
	Objective evidence obtained:		
	Close-out information:	Date Closed >	dd MMM yy

End of Public Summary