COMPARATIVE ANALYSIS OF THE FOREST STEWARDSHIP COUNCIL© AND SUSTAINABLE FORESTRY INITIATIVE® CERTIFICATION PROGRAMS

EXECUTIVE SUMMARY

CONSENSUS STATEMENT ON SALIENT SIMILARITIES AND DIFFERENCES BETWEEN THE TWO PROGRAMS

Based on Programmatic Material

Available as of June 2001

October 2001

COMPARATIVE ANALYSIS OF
THE FOREST STEWARDSHIP COUNCIL© AND
SUSTAINABLE FORESTRY INITIATIVE®
CERTIFICATION PROGRAMS

Sponsored By

The Forest Stewardship Council-U.S.

The Home Depot

The Sustainable Forestry Initiative of the American Forest & Paper Association

October 2001

Executive Summary -- FSC/SFI Comparative Analysis

Introduction

This Report is the product of a panel formed in December 2000 by the Meridian Institute at the request of The Home Depot Company, the Forest Stewardship Council-U.S. Working Group (FSC-US), and the Sustainable Forestry Initiative (SFI) of the American Forest & Paper Association (AF&PA). The sponsors requested the Meridian Institute convene and facilitate a balanced, diverse panel of experts to produce a factually accurate, consensus-based comparison of FSC and SFI certification programs.

The primary purpose of the report is to provide purchasers of wood and paper products, consumers, and the general public with accurate, relevant information about key similarities and differences between the two programs. This should equip readers to make better informed, independent judgments about which system may be most suitable for their particular operational, business or other needs. An important related benefit is factual comparisons that can provide a basis for improving both programs in the future.

The Study and the Panel

The comparative analysis entailed a comprehensive document-based review of the fundamental elements of the two primary forest management certification and product labeling operating systems in the U.S. today from history, structure and governance to performance, standards, and protocols.

The Panelists were:

- Jane Difley, President/Forester, Society for the Protection of New Hampshire Forests (selected jointly by all three Sponsors)

- Jim Grace, State Forester, Commonwealth of Pennsylvania (selected jointly by all three Sponsors)

- Robert Hrubes, Senior Vice President, Scientific Certification Systems (selected by FSC-US)

- Mike Jani, Vice President and Chief Forester, Mendocino Redwoods Company (selected by FSC-US)

- Lynn Jungwirth, Executive Director, The Watershed Center, Communities Committee, Seventh American Forest Congress (selected by FSC-US)

- John McMahon, Vice President, Timberlands External and Regulatory Affairs, Weyerhaeuser Company (selected by AF&PA)

- John McNulty, Vice President, Seven Islands Land Company (selected jointly by all three Sponsors)

- Carlton Owen, Manager, The Environmental Edge, LLC and Interim Acting Executive Director of the Sustainable Forestry Board (selected by AF&PA)

- Al Sample, President, Pinchot Institute for Conservation (selected jointly by all three Sponsors)

- Scott Wallinger, Senior Vice President, Westvaco Corporation (selected by AF&PA)

Tim Mealey, Heather Lair, and Shawn Walker of Meridian Institute served as the facilitators for the panel's deliberative efforts. As well, they produced some of the draft versions of this report and managed the process for making changes to the report in response to panel member comments. Staff from the two programs, which included Ken Cousins, Heather Melchior, and Jennie O'Connor from the FSC-US and

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Rick Cantrell, Mike Virga, and Brad Williams from the SFI program, among others, provided research support to the panel.

Working by consensus, the panel distilled literally hundreds of pages of detail into a comprehensive and useful comparison of the most relevant features of the SFI and FSC certification programs. The two programs are structurally different in many respects due to their differing origins, so a side-by-side comparison of mirror images is not possible.

The panel identified six program elements, as well as sub-elements and questions for each sub-element that it agreed would provide the most useful "metrics" for comparison:

- Program Mission, History and Structure
- Standards
- Oversight of Certifying Bodies
- Mechanics of the Certification Process
- Control of Program Logo and Product Label and Supply Chain Verification
- Status of Program Implementation

The panel characterized the similarities and differences within each program element as accurately and concisely as possible. Since both programs continue to evolve, the panel selected June 20, 2001, as the effective date for comparison. The result of that process forms the basic outline for the report and this summary.

Volume I of the report is entitled *Introduction and Consensus Statement on Salient Similarities and Differences Between the Two Programs*. These 43 pages are the minimum reading for an interested person to get a full understanding of the similarities and differences including subtleties in emphasis and approach.

Volume II is entitled *Description of the Forest Stewardship Council* and contains 73 pages. **Volume III** is entitled *Description of the Sustainable Forestry Initiative Program* and contains 60 pages. These two volumes provide full documentation with relevant citations from program materials to support the panel's conclusions in Volume I. These are of special interests to those who seek precise quotations or distillations from official program materials for the FSC and SFI.

This Report is the result of a "paper analysis" of all relevant documents about the two programs, and the Panel believes it is a very important contribution to factual understanding about the origins, processes and requirements of the SFI and FSC programs. It should fill many gaps in popular understanding of the two programs and remove many incorrect presumptions and myths about both of them. However, it is somewhat analogous to a "desk audit" rather than a "field audit" in a certification, and the Panel did not evaluate the effectiveness of each program on the ground. The Panel believes a full and complete understanding of all of the differences and similarities between these two programs and how they are interpreted in practice would be furthered by a similar field study comparison that is beyond the scope of this Panel.

The balance of this Executive Summary is a condensation of Volume I. It distills the most relevant information into succinct form. In doing this, not every point of comparison is included and some nuance based on the level of detail in Volume I is lost. Since some of the conclusions about differences and similarities reflect consensus on degrees of subtlety, readers are urged to view this Executive Summary as a convenient condensation and recognize that they need to read Volume I in its entirety for a complete understanding of program similarities and differences.

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Program Mission, History and Structure

Both programs are rooted in the notions of sustainable development that grew out of the 1987 Brundtland Commission Report entitled *Our Common Future* and elements of *Agenda 21* from the UN Conference on Environment and Development in Rio de Janeiro in 1992. With that common reference, both programs seek to advance the overarching goal of improving forest management practices in the United States.

Both programs are supported by comprehensive and steadily evolving documentation of standards, accreditation of certifying firms, certification processes and use of labels for marketing of certified forest products.

Against those underlying similarities, the panel notes that there are also important philosophical program differences related to their **origins**.

- The FSC program can be characterized as a program that began with a strong NGO focus on the environmental and social values of natural forest ecosystems to which it adds an important economic viability dimension. The FSC was founded in 1993 under the impetus of environmental and social NGOs to encourage the consuming public to reward exemplary forest management of industrial, private, government and community-owned forests. As an international initiative, it is comprehensive and addresses a substantial array of environmental and social aspects of sustainable forestry that can be applied in a wide array of forestry conditions.

- The SFI program can be characterized as a program that began with a strong industry focus on forest lands that were acquired or owned for the production of forest products, to which it adds an important environmental dimension. The SFI program was launched in 1994 by the American Forest & Paper Association in response to sagging public attitudes toward the management of the nation's forests. Its focus is to visibly improve the forestry practices of the U.S. forest products industry and to promote sustainable forestry among private and other landowners in the United States. As a national initiative within the United States and later in Canada, it functions within the context of a broad body of environmental and social laws in those two countries. Initially created as a self-improvement program of the American Forest & Paper Association, it has evolved into a program that promotes third-party certification of forestry practices of member companies and licensees.

The two programs have **different objectives**.

- The SFI program operates under the philosophy of "a rising tide that raises all boats." It consists of a set of standards aimed at all aspects of the forest industry from landowner to producer and it establishes a baseline of performance that builds on the concepts of sustainable forestry.

- FSC standards emerged out of a desire to provide market rewards through the labeling of forest products with a logo designed to distinguish products derived from lands certified as complying with a global set of Principles and Criteria of exemplary forest management or forest stewardship.

The two programs have very different **governance structures and processes,** within which forest owners who might be candidates for certification have different roles. The structures of both are complex but grounded in completely different rationales.

- The FSC is an international organization designed to function anywhere in the world regardless of the form or sophistication of local governments and regulations. It begins with a comprehensive

international governance structure, within which are nested governance structures at the national level.

- The SFI program is still predominantly a U.S. oriented program, with a more limited governance structure designed to function within AF&PA and the North American context. However, it has a comprehensive operating structure based on State Implementation Committees that oversee program operations involving forest industry, loggers, private forest owners, government agencies, and others.

- The FSC is a membership organization that defines its policies through a General Assembly of members who comprise three Chambers: Environmental, Social and Economic. Forest industry and private forest owners who join the FSC participate through the Economic Chamber that they share with retailers, certifiers, consultants and other economic interests. The FSC employs its own staff.

- The SFI program was created by AF&PA, an industry trade association, as a program within a membership organization. A separate Sustainable Forestry Board (SFB) defines standards, accreditation and certification processes. The SFB is comprised of fifteen persons. Individuals representing non-industry fill nine seats, the remaining six seats are individuals designated by AF&PA from its membership. The SFB selects its own Executive Director, who is on contract to AF&PA; additional AF&PA staff provides program support to the SFI.

- Oversight of the SFI program rests with the AF&PA Board of Directors and its member companies. SFI Standards were originally established by the AF&PA in collaboration with private non-industrial landowners, logging professionals, consulting foresters, federal and state natural resource agencies, environmental and other NGOs. Since July 2000, changes to the SFI standard, accreditation and verification processes are the responsibility of the SFB. Modification of the SFI standard is decided by the SFB after stakeholder input has been received through a published public comment period. Landowners and outside stakeholders can participate in the development of standards.

- With the FSC, ultimate authority for modifications to the FSC standard resides with members and the FSC International Board of Directors. Members are required to affiliate with one of three chambers, -– the environmental, social, or economic chambers – each of which has one-third of the voting power in matters over which the membership has authority. At the international level, each chamber is divided into two sub-chambers, "Northern" and "Southern" which represent the interests of developed and developing countries, each of which possesses 50% of the voting power within a chamber. Thus, the interests of forest landowners in combination with other economic interests constitute one-third of the voting power in the FSC, or one-sixth of the voting power for forest management companies from the "North." In the U.S., the FSC has established nine regional standards committees to develop regionally specific standards that are consistent with the U.S. National Initiative guide indicators and the Principles and Criteria of Forest Stewardship. The regional standards are to be submitted individually to FSC-AC for approval.

The two programs differ in their degree of **mandatory public involvement.**

- The FSC standards are developed through a participatory process that requires the active involvement of environmental, business and social sectors within its membership as well as the participation of its members and other stakeholders in openly publicized national or regional standard-setting processes. Beyond standards development, stakeholder consultation is an integral part of the certification process. While protecting confidential information, FSC certification requires public summaries of certification evaluation reports, the certificate holder's management plan, and the results of periodic monitoring of the certified forest.

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- The SFI program and standard were created in consultation with an array of outside parties. It is beginning to function with fuller public involvement and comment through its separate SFB. The broader social and economic goals associated with the standards are addressed via the recognition that the social aspects of sustainable forest management have been addressed in the U.S. and Canada through public law and regulation of the forest industry and labor relations. Companies that are third-party certified are required to issue a summary document of the findings of certification.

The two programs differ significantly in their **sources of program funds**.

- The SFI program receives about 82% of its funds from AF&PA members through dues to and member contributions to the SIC. The remaining 18% comes from grants and revenue from meetings, publications and the Licensee Program.

- FSC International receives about 85% of its funding from private foundations. The remaining 15% comes from membership and accreditation fees. The FSC-US receives 100% of its funding from private foundations.

Standards

The programs are similar in that both have a tiered **structure of principles and supporting requirements** that must be met by parties in order to be certified. However, the two programs' hierarchies are structured very differently, and the differences in structure make it difficult to compare program elements point by point.

- The FSC has:
    o 10 Principles
    o 56 Criteria embedded within the Principles
    o 138 National Indicators (in the U.S.) embedded within Principles and Criteria
    o Interim Standards used by FSC-accredited certification bodies in the U.S.
- The SFI program has:
    o 5 Principles
    o 11 Objectives
    o 35 Performance Measures embedded within the 11 Objectives
    o 75 Core Verification Indicators
    o 158 Other Verification Indicators embedded within Objectives and Performance Measures

The programs differ in the manner that their respective **standards are employed.**

- Compliance with the SFI objectives, performance measures, and core indicators is mandatory. The "other verification indicators" are selected by the certifying body and program participant (certification applicant) to customize the certification to local conditions and the applicant's particular circumstances. There is little room for interpretation of the SFI standard by the auditor. Auditing protocol requires strict interpretation of the program objectives, performance measures, and core indicators.

- Compliance with FSC principles and criteria is mandatory. In the absence of approved regional standards, as is currently the case in the U.S., certification is conducted against interim standards developed by accredited certifiers and approved by the FSC. A landowner can lack compliance to some FSC indicators and a criterion and still meet the principle itself, thus leading to certification with conditions that must subsequently be met on a defined schedule.

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The two programs differ in their **approach to certification** itself.

- AF&PA member companies are required to annually report to AF&PA the results of first-party verification (self verification) against the SFI standard as a condition of membership in the AF&PA. Second-party verification by a customer is optional Third-party certification to the SFI standard is also optional; however, it is required for all AF&PA members and licensees who desire to use the newest version of the SFI program logo or use the SFI on-product label when it is authorized by the SFB or AF&PA.

- The FSC is a third-party certification program only.

The FSC and the SFI programs differ significantly with respect to the **scope** of many of the elements within their forestry standards.

- The FSC is international in scope. The principles and criteria do not presume that local laws and regulations assure exemplary forest management and thus they are comprised of a broad array of environmental and social criteria. The award of certification is regularly accompanied with prescribed actions (conditions) designed to address deficiencies in the forest management program.

- The SFI program was created for the United States within the context of federal and state environmental and social laws and regulations. The SFI program often implicitly assumes that compliance with U.S. laws and regulations assures adequate landowner performance relative to the issues that are addressed by those laws without elaborating parallel requirements within the SFI standards.

With respect to standards, the panel focused on *31 issue areas* that it considered to be of greatest importance and general interest, and these are discussed individually in Volume I of this report. For this summary they are presented in less detail below.

SUBJECT AREAS THAT ARE ADDRESSED BY BOTH PROGRAMS USING ESSENTIALLY THE SAME APPROACH:

Water Quality and Riparian Zone Protection
Soil Protection
Forest Protection from Fire, Pathogens, and Disease
Periodic Monitoring of Environmental Conditions and Adaptive Management
Identification and Protection of Cultural, Archaeological and Historic Resources/Sites
Public Access and Use Opportunities
Efficiency of Resource Utilization

SUBJECT AREAS THAT ARE ADDRESSED BY BOTH PROGRAMS, BUT WITH DIFFERENT APPROACHES:

Forest Plantations
- FSC standards emphasize the value of natural forests and prohibit the conversion of natural forests to plantations (in the FSC nomenclature, a "plantation" is a managed forest lacking most of the attributes and characteristics of the native ecosystem). Planting, in and of itself, does not imply a "plantation" under the FSC definition. While conversion of natural forests to plantations is prohibited, plantation operations that do not entail natural forest conversions are potentially certifiable under Principle 10 that deals explicitly with plantation management.

- SFI standards do not address the conversion of natural forests to plantations. SFI presumes that planting is a commonly accepted forestry practice in the U.S. and is a necessary and widely accepted component of industrial forest management.

Sustained Yield
- SFI standards require that planned harvests be sustainable over the long-term and periodically recalculated based on updates of forest inventory information and new information.
- FSC standards require harvests not to exceed levels that can be permanently sustained. The long-term focus is on the balance of harvest and growth that are measured over rolling ten-year time periods following attainment of a balanced age/class distribution.

Clearcutting and Even-Aged Forest Management
- FSC standards require green retention within even-aged units and require the size of clearcuts to mimic non-catastrophic natural disturbances; it limits clearcuts to 40 acres in plantations in most cases.
- SFI standards limits the average size of clearcuts to 120 acres and has "green-up" requirements for harvested areas (i.e., height of the new crop of trees) before contiguous units can be cut. It permits even-aged management within the context of landscape level measures that promote habitat diversity.

Forest Regeneration and Reforestation
- SFI standards emphasize early successful regeneration irrespective of silvicultural methods.
- FSC standards emphasize natural forest attributes and require natural features among plantations.

Road Building and Maintenance
- Both programs require high quality roads that protect soil and water. The FSC standards have a more explicit focus on minimizing the amount of road construction.

Visual Impacts and Aesthetics
- SFI standards include a specific objective and performance measure that requires aesthetic consideration in harvesting, road construction, and other highly visible activities.
- FSC principles and criteria do not have a specific visual impact requirement, but FSC-US interim standards explicitly address visual impacts.

Long-Term Financial Viability of the Forest Operation
- SFI standards require participants to use sustainable forestry practices that are economically and environmentally responsible but an assessment of financial viability is not mandatory.
- FSC standards require an assessment of economic viability of forest management operations.

Competency and Adequacy of the Forest Management Staff
- FSC standards require assessment of the competency and adequacy of the forest management staff.
- SFI standards emphasize training of forestry staff whom carry out forest policy and practices.

Management Planning Framework
- SFI standards require written plans, programs, and policies for all objectives and core indicators for which a plan is appropriate.
- FSC standards require that a management plan with specified content be completed and requires a public summary of the plan with specified content.

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SUBJECT AREAS THAT ARE ADDRESSED IN ONLY ONE OF THE TWO PROGRAMS, OR USING FUNDAMENTALLY DIFFERENT APPROACHES

Special and Unique Forest Areas
- FSC standards require protection and annual monitoring of "high conservation value forest" as well as "sites of special cultural, ecological, economic, or religious significance," and it restricts active management of intact old growth forests and stands.
- SFI standards require identification and appropriate management of "sites of ecological, geologic, or

Use of Chemicals
- FSC standards require forest landowners to minimize the use of chemicals and to work toward non-chemical control of pests.
- SFI standards allow prudent use of U.S. Environmental Protection Agency approved chemicals as a legitimate forest management tool and requires research to reduce chemical use rates and the development of enhanced Integrated Pest Management.

Use of Genetically Modified Organisms
- SFI standards permit the use of genetically modified organisms in accordance with "sound scientific methods and appropriate federal and state regulation, and other internationally applicable protocols."
- FSC standards explicitly prohibit the use of genetically modified organisms.

Use and Management of Exotic Species
- SFI standards do not explicitly address the use of exotic species.
- FSC standards allow the use of exotic species under carefully controlled conditions and stresses responsible use and control.

Maintenance and Conservation of Biological Diversity
Both programs explicitly address the maintenance and conservation of biological diversity, but they differ in approach, level of detail and degree of prescription.
- FSC standards explicitly require that "forest management *shall* conserve biological diversity and its associated values" and includes a detailed list of prescriptive requirements including establishment of conservation zones and reserve areas; protection of rare, threatened and endangered species habitat; and assessment of impacts prior to site disturbance.
- SFI standards focus on habitat diversity and landscape level planning for the maintenance of habitat diversity. SFI standards also require investments in research related to biodiversity and the application of the findings from that research into the management of the forest.

Maintenance of Ecological Function
- FSC standards explicitly address maintenance of ecological function of forests through a detailed set of requirements for forest stand characteristics in relation to ecological function.
- SFI standards do not explicitly mention ecological function in its standard. Key elements of management, similar to those addressed in the FSC standard for maintaining ecological function, are embedded in elements throughout the SFI standards.

Assessment of Environmental Impacts
- SFI standards have no specific requirements for a formal assessment, although several specific objectives require assessments of various types of environmental impacts.
- FSC standards require a formal assessment of environmental impacts of forestry practices, prior to site-disturbing activities.

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Consultation and Public Reporting
The programs differ in the le vel and extent of stakeholder consultation and public reporting.
- FSC standards require extensive stakeholder consultation and public reporting as a part of ongoing forest management.
- SFI standards require consultation with local experts on certain forestry practices and AF&PA provides an aggregate annual report based on information from its members based on first-party verification.

Health, Safety, and General Welfare of Employees and Contractors
- FSC standards with their international scope explicitly address the general welfare and financial benefits accruing to employees and contractors (e.g., by requiring compensation relative to regional norms, rights to organize, opportunities to participate in management decisions, etc.).
- SFI standards do not address the general welfare of employees and contractors. A fundamental presumption of the SFI standard is that U.S. labor law effectively deals with these areas.

Compliance with Applicable Laws and Regulations
- SFI standards tacitly presume companies and agencie s must comply with laws and regulations to continue to operate.
- FSC standards have an explicit requirement for compliance with laws and regulations.

Recognition of Indigenous Peoples Rights
- FSC standards have an explicit principle recognizing the rights of indigenous peoples.
- SFI standards do not address this issue, rather relying on existing treaties, laws, and regulations.

Education and Outreach
The programs differ with regard to the extent of emphasis.
- FSC standards emphasize commitment to employee education and training and stewardship advocacy for exemplary forest management.
- SFI standards place a much stronger emphasis on comprehensive training of loggers and company employees and require extensive efforts to provide information on good forestry practices to private owners who sell wood to companies and loggers.

Forest Management Research
- SFI standards have a pervasive emphasis on encouraging participants to fund research and to use the results of research for continuous improvement.
- FSC standards have no parallel requirement as such but emphasize use of knowledge gained from monitoring and learning from external research.

Assessment of Social Impacts
- FSC standards require periodic assessment of the social impacts of the forest operation.
- SFI standards do not require such an assessment.

Contribution of Socioeconomic Benefits to Local Community/Region
- SFI standards have no specific requirement for a formal assessment and presume a continuing business will provide employment and other community values.
- FSC standards require forest operations to provide an array of social and local benefits.

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Oversight of Certifying Bodies

The two programs differ in the **accreditation and role of certifying bodies**.

- The SFI program relies on third-party lead verifiers (individuals, serving as team leader) who must be accredited in any of four environmental auditor categories by the Registrar Accreditation Board (RAB) or its joint National Accreditation Program with the American National Standards Institute (ANSI). These are U.S. national affiliates of the International Standards Organization (ISO), and their qualification requirements are designed to ensure international auditing consistency. ANSI accreditation of the lead verifier's firm is optional for the firm, depending on the extent of environmental auditing in its business portfolio. The SFI program recognizes the counterpart ISO standards organization in Canada. The SFI program requires auditors to demonstrate specific knowledge of SFI principles, objectives and indicators, but it does not have a formal process to accredit that knowledge. Certifiers are not permitted to set SFI standards or processes but are considered to be a stakeholder group offering input to the Sustainable Forestry Board.

- FSC has a comprehensive internal accreditation process that it developed for worldwide application. It is rooted in ISO processes but is designed to operate under the jurisdiction of the FSC Board of Directors. The FSC accreditation process is mandatory for firms or not-for-profit entities wishing to provide FSC endorsed certification services for forest management and/or chain-of-custody, and the FSC defines comprehensive, explicit requirements to obtain and maintain accreditation. FSCaccredited certifier bodies are not permitted to certify forests under any standard but the FSC. Pending development and acceptance of national standards in a country according to well-defined FSC processes, certifiers develop and employ interim FSC standards, approved by the FSC International.

The two programs differ in their requirements for publication of accreditation decisions.

- FSC requires a summary report of positive accreditation of a certifier by the FSC to be made publicly available and includes specific provisions concerning the type of information that must be included in the summary. Likewise, a publicly available annual accreditation report is issued by FSC providing a status update of all accredited certification bodies.

- ANSI-RAB issues a formal report only when required by law or by the certifier at its discretion. RAB maintains a public list of individual verifiers who are accredited under its Environmental Auditor and Environmental Management Systems Auditor but this does not state whether or not they also meet SFI's additional lead verifier requirements. The SFI program does not require publication of accreditation decisions but it maintains a list of SFI lead verifiers who have conducted SFI certifications.

Mechanics of the Certification Process

The two programs differ in requirements for **consultation and public reporting.**

- The SFI program defines consultation with other stakeholders by the certifying body as an optional rather than mandatory means to help determine conformance to SFI standards. AF&PA requires the Chief Executive Officers of individual member companies to report SFI compliance annually to the AF&PA, which then leads to an aggregated annual progress report for the SFI program that is made public by AF&PA. A summary of a positive third-party certification must be made public only if the company decides to publicly proclaim the result of the certification, rather than use it solely for

internal purposes. At a minimum, the summary must include the "general results of conformance to the SFI standard." This summary may be jointly developed and is the property of the certificate holder and is not available from the certifying body but may be available upon request from the certified company.

- FSC requires the certifying body to publish announcement of plans for a pending certification to stakeholders 30 days in advance of the certification audit. The FSC requires extensive consultation with stakeholders, experts, and interested parties during the audit. Award of certification requires a summarized report by the certifying body that must be made available to the public. The contents of the report are itemized by the FSC. Among other prescribed information items, the summary must include an explanation of how stakeholder comments were considered and a list of any "conditions" under which the certificate has been granted. The summary must be posted on the certifier's website, and the summary and the entire assessment report are also on file at the FSC International. The certified landowner must make available a summary of the key elements of the management plan and the results of monitoring of the impacts of the management plan upon request.

The two programs differ in their requirement for **peer review** of the certification audit.

- FSC requires a peer review of the assessment report be conducted by at least two disinterested and credible reviewers with the technical capacity to assess the analytical quality of the report before final certification decisions are made. In addition, the certifying body must consider and document the actions taken in response to comments from the peer reviewers.

- The SFI program and its accrediting body, ANSI-RAB, do not require peer review of certification decisions.

The two programs differ on requirements for **desk audits and verification of compliance with changes to the standard**.

- Both programs require compliance with changes to the standards within one year following adoption of the change.

- FSC certificates are valid for certifier specified time periods not to exceed five years. Annual audits are required, entailing both field and office components, to ensure continued adherence with the standard and to monitor compliance with conditions placed on the certificate holder.

- SFI program participants must be re-certified within 3 years of their first certification and every five years thereafter. The SFI program does not require annual audits. Those companies that are certified to the SFI standard within an ISO 14001 Environmental Management Systems certification are required to conduct annual audits as part of their ISO 14001 EMS certification requirement.

Dispute resolution procedures also differ considerably.

- FSC has elaborate internal policies and procedures that rise to a special committee operating as an adjunct to the FSC Board.

- SFI program procedures center on State Implementation Committees and can involve the Expert Review Panel and ultimately, the Board of Directors of AF&PA.

Control of Program Logo and Product Label
and Supply Chain Verification

Both programs use a graphic symbol in combination with initials and/or words for the purpose of a **program logo and on-product label** but they differ in important ways in their approach.

- FSC uses the same "checkmark and tree" symbol and the FSC initials for its program logo and product label, which it has registered as a trademark and is referred to as the FSC logo. This logo is an integral part of the FSC program and has not changed since the inception of the FSC. Use of the FSC logo is directly related to the underlying philosophy of the program to provide market rewards through the labeling of forest products with a distinct logo derived from lands recognized for exemplary forest management.

- The SFI program has two different versions of a program logo available for use by program participants, as well as an on-product label for which it has established rules but has not yet permitted its use. The SFI program logo has undergone three stages of evolution. The second version of the program logo, which uses a "bear, fish and tree" symbol, continues to be used currently by SFI program participants that have not completed a third-party certification. In January 2001, the AF&PA Board approved rules for a third version of the program logo and an on-product label, and AF&PA began receiving applications for its use in May, 2001. The third version of the program logo and the on-product label both use a "tree and shield" symbol and differ in the associated wording that accompanies the symbol. Only companies that have completed a third-party certification may use this third version of the program logo. When use of the on-product label becomes authorized, it will also only be available for use by participants that have completed a third-party certification, and the label will only be available for use on products derived from forest management operations that have been third-party certified under the SFI program or other SFI recognized third-party forest management certification programs, which include the FSC International.

The two programs differ in their means to **assure product claims** about wood sources.

- The SFI program uses a two-pronged approach to supply chain verification – direct certification of the lands owned and/or directly controlled by SFI program participants and a procurement systems approach to address approximately 70% of the wood supply for SFI program participants that originates from non-industrial forest landowners or other uncontrolled sources. The procurement systems approach is not based on physical verification of the origin of each load of logs produced or delivered, but rather on a variety of approaches including random sample field checks or other means of verification that the forest owner, contractor, or wood supplier utilize in compliance with the program.

- FSC requires a "chain-of-custody" certification to be completed, separate and distinct from certification of forest management operations, to use the FSC logo on a product at any stage of the "value-chain," beginning from the point of harvest to the point of final sale. Each entity controlling certified wood along the chain must be separately certified for chain-of-custody, in order to use the logo on-product. Chain-of-custody certification evaluations are conducted against a separate standard comprised of six principles and 25 criteria embedded within these principles.

Status of Program Implementation

FSC has issued 64 certificates on 8.3 million acres of forest and has issued 391 chain-of-custody certificates in the United States. The FSC-US has 71 members. Worldwide, FSC has issued 243 forest management certificates totaling 56 million acres as well as 1,341 chain-of-custody certificates.

There are 132 company participants and 52 licensees of the SFI program in the United States. Their land-holdings amount to 66 million acres. In the United States, 16 organizations have completed third-party certification on 20.8 million acres. One large manufacturing company without a forest base has been certified to the procurement requirements. In North America as a whole, the SFI has 191 members and licensees, with 100.7 million acres enrolled in the program. Of that total, 21 participants have third-party certified 30.6 million acres.

The panel reiterates that the above summary reflects consensus on degrees of subtlety in the main report that do not appear in this summary. The panel urges readers to read *Volume I* in its entirety for an adequate understanding of program similarities and differences. Citations of program differences and similarities based on this summary alone may mischaracterize important aspects of either or both programs.