

June 19, 2012

Scientific Certification Systems 2000 Powell St., Suite 600 Emeryville, CA 94608

> Re: Notification of Pending Forest Stewardship Council (FSC) Certification Evaluation of Green Diamond Resource Company's California Timberlands

Dear responsible parties:

The Environmental Protection Information Center (EPIC) presents the following comments regarding the Notification of Pending Forest Stewardship Council (FSC) Certification Evaluation of Green Diamond Resource Company's California Timberlands in Humboldt, Del Norte and Trinity Counties, California.

In summary, EPIC is obligated to inform and advise Scientific Consulting Systems, and thus the FSC, as to the extreme brand risk that will be associated with certification of Green Diamond Resource Company under the FSC umbrella without stipulating a series of strict pre-conditions as a necessary step in the certification process. Until Green Diamond demonstrates a long-term commitment to fundamentally change its management practices and corporate culture in a manner that guarantees compliance with the highest interpretation of the environmental, social, and economic standards of the FSC, certification should be withheld. Bringing Green Diamond into the FSC community would be of tremendous benefit to the natural and human communities of Northwest California if and only if the standards of the FSC are not watered down in order to achieve that commercial goal.

We herein address three aspects of impacts resulting from Green Diamond's current management regime. This break down is based upon the "triple bottom line" promoted by FSC, and explored in terms of environmental impacts, economic impacts, and social impacts.

ENVIRONMENTAL IMPACTS:

Even aged management (i.e. clearcutting) has no place in timber management in the redwood ecosystem. The FSC guidelines concerning even aged management in Pacific Coast forests are ambiguous and subject to interpretation, but in applying these new guidelines to Green Diamond lands there is clearly no ecological justification for clearcutting in the redwood forest. Along these lines, for Green Diamond to be FSC certified, we recommend that the company stop clearcutting, convert current Timber Harvest Plans (THP) with proposed clearcutting to selection, and only propose selection logging in their future THPs. A high percentage of Green Diamond lands need restorative and non-extractive forestry in order to begin to approach their productive potential.

According to the FSC guidelines (indicator 6.3.g.1.b) even aged silviculture may be employed where: 1) native species require openings for regeneration or vigorous young-stand development, or 2) it restores the native species composition, or 3) it is needed to restore structural diversity in a landscape lacking openings while maintaining connectivity of older intact forests. Green Diamond's even aged management regime in fact fails to accomplish any of these goals. For example, redwoods are a shade dependent and tolerant species that does not require large openings to regenerate. Secondly, even aged management as practiced by Green Diamond reduces site occupancy for non-conifer native species as the plantation mentality leads the company to plant only conifers after clearcutting, thus simplifying the forest. Finally, even aged management, by definition, will deplete native structure and diversity, particularly when conducted on such a massive scale as Green Diamond applies. There is no lack of openings on Green Diamond land created by clearcut and rather than creating species and seral diversity, these practices will significantly reduce and simplify forest seral stages and structure.

Recommendation: Preconditions be set that dramatically reduce and eventually eliminate the use of even aged management by Green Diamond on the lands that would receive FSC certification.

The application of toxic chemicals to the landscape is a direct result of the pervasive even aged management on Green Diamond lands. Indicator 6.6.b provides that all toxicants used to control pests and competing vegetation, including rodenticides, insecticides, herbicides, and fungicides are used only when and where non-chemical management practices are: a) not available; b) prohibitively expensive, taking into account overall environmental and social costs, risks and benefits; c) the only effective means for controlling invasive and exotic species; or d) result in less environmental damage than non-chemical alternatives (e.g., top soil disturbance, loss of soil litter and down wood debris). If chemicals are used, the forest owner or manager uses the least environmentally damaging formulation and application method practical.

None of these factors appear to be germane to Green Diamond. Non-chemical alternatives clearly exist, and would provide greater environmental and economic benefits through a lack of toxics and through the employment of more workers to conduct the vegetation management. Clearly, herbicides are not the only available method, and non-damaging, environmentally superior options exist.

Recommendation: Preconditions be set that address the toxic legacy of Green Diamond/ex-Simpson Timber, and the pervasiveness of legacy toxics in the environment be addressed even as efforts to reduce and eliminate the use of toxics be expanded and reinforced.

Finally, issues of extinction and biodiversity loss must be addressed. **Despite claims to the contrary, the latest research (Forsman et al. 2011) shows that a key-signature species, the Northern Spotted Owl, is in continuing decline on Green Diamond lands.** This runs in direct contradiction with the high FSC standard prohibiting take of listed species. The Green Diamond HCP for NSO is antiquated at best and ineffectual at worst. Green Diamond must endeavor to revise its spotted owl HCP in order to reflect the current best available science and truly mitigate the significant implications that their even aged management has for this species. A terrestrial HCP is also necessary to address the fate of other animals such as the Humboldt Marten. The Humboldt Marten is one of the planets most endangered small mammals. As a species of intense conservation interest whose listing as endangered under the Federal Endangered Species Act is imminent, FSC standards will require that the Humboldt Marten receive the highest levels of protection. Furthermore, despite the adoption of the Aquatics Conservation Plan, aquatic species continue to be under threat on Green Diamond lands. Green Diamond must revise its Aquatics HCP to address the ongoing decline of Coho and Steelhead in the Northern California region.

On Green Diamond lands, there is a notable lack of seral stage diversity, particularly a lack of old growth and late seral forests. The lack of these key seral stages has precipitated the loss of species dependent on

those habitats from the Green Diamond landscape. Marbled Murrelet are a perfect example of this. The loss of Marbled Murrelet habitat throughout Green Diamond's approximately 400,000 acres of ownership continues to contribute to the decline of this species in the redwood region, and globally. Green Diamond's even aged and short rotation management reduces the size of trees, the number of snags and the amount of coarse woody debris. Overall, Green Diamond's historic and current practices have resulted in loss of and simplification of forest seral diversity, resulting in a noted lack of truly rare forest habitats and ecological communities.

Considering the contiguous nature of the Green Diamond lands with protected area units belonging to both the National and State Park Systems, special management attention could be granted to the design and implementation of substantial buffer zones and biological corridors that could contribute significantly to the recovery of listed species whose core habitats are in these same government owned and managed protected areas.

Recommendation: Preconditions be set that require revisions of Green Diamonds terrestrial and aquatics habitat conservation plans, and that hold Green Diamond to the highest FSC standards that prohibit any take of listed or other sensitive species, as well as encouraging management that will contribute to the recovery of the full suite of listed old growth dependent species.

SOCIAL IMPACTS:

The recent history of this company as one of the planet's premier case studies in Greenwash (the use of public relations and media strategies to hide from the public the negative environmental and social impacts of a natural resource extraction company) must be taken into consideration. The mere fact that we now refer to "Green Diamond Resource Company" as opposed to Simpson Timber is a classic lesson in the perverse use of Greenwash by major companies to forward a profit over planet agenda.

Green Diamond Resource Company is an absentee owner of 400,000 acres of land. Millions of dollars of wealth has left our communities over these decades. This reality, combined with the access that such wealth provides to decision makers and political leaders, raises serious questions about issues of environmental democracy and social justice. This dynamic taken into consideration with the history of the privately held companies public attacks on the environmental movement should be cause for concern, especially in negative brand exposure both locally, nationally, and internationally for FSC.

ECONOMIC IMPACTS:

The inferior quality of the wood products coming off of Green Diamond lands must be addressed. It is common knowledge, and all the auditors of SCS know it, that redwood needs at a minimum 70-100 years to reach a maturity that provides for a decent wood product, while 200 years is recognized as an age of tree that provides a superior wood product. Green Diamond has continued to log based on a short rotation tree plantation vision, resulting in a clearly inferior wood product whose reputation has diminished greatly since the ancient redwoods have been largely removed from the landscape. This issue cannot be understated--the FSC cannot seriously certify a company that continues to log redwood before it has become a decent wood product. We suggest that FSC only certify Green Diamond once the company has made the commitment to restore the quality of the wood products on their land by transitioning to operations that have am ultimate goal of growing 200 year old redwood trees. Green Diamond must stop logging redwood trees that have not come to maturity. The economic implications of their inferior wood product are serious for our entire community, not just for the company.

Recommendation: That preconditions be established that address the economic impacts of harvesting immature redwood, and that assists Green Diamond in the development of a business plan that emphasizes high quality wood products, and the reduction and eventual elimination of the harvest of immature redwood trees.

OVERALL CONCLUSION:

Certification of Green Diamond as "sustainable" under the FSC umbrella without stipulating dramatic changes in the business and silviculture model of the company would be a disappointing step backwards for the FSC, would set a dangerous precedent with wide-ranging long-term implications for the health of human and natural communities in the redwood region, and would provide severe brand risk for the FSC in national and international arenas. Such certification is not only erroneous and misleading to the consumer, but also would substantially taint the credibility and "brand" of FSC in the eyes of the environmental community. To date, Green Diamond has only just begun to demonstrate any long-term inclination or potential interest in fundamentally changing its logging practices away from the intensive industrial evenaged short rotation plantation mentality. Unless and until Green Diamond fundamentally changes its silvicultural treatments, its rotation age, and permanently moves away from its pervasive use of toxic chemical herbicides while also addressing the remaining legacy of the use of these chemicals, the companies' activities will remain outside the scope of the original vision and intent of the FSC certification model to promote sustainable forestry, healthy forests, clean water, and abundant wildlife.

EPIC appreciates the opportunity to engage with SCS and FSC on these important matters. We welcome and are happy to answer any questions. At stake here is not only the potential certification of Green Diamond and the future health of some 400,000 acres of globally important forest lands, but also the image and reputation of the FSC in the eyes of the environmental community and the greater community at large.

Sincerely,

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