

## **CHAPTER 221: MANAGED FOREST LAW CERTIFIED GROUP**

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## **I. PURPOSE AND SCOPE**

This chapter applies to all Managed Forest Law (MFL) lands enrolled in the MFL Certified Group. Staff and partners affected include Tax Law Section staff, Division of Forestry staff (for the purposes of outreach, small grants assistance), landowners and forestry professionals. The focus of this chapter is to describe procedures and responsibilities for managing the MFL Certified Group. Procedures include: the activation/deactivation of group members, records maintenance, roles and responsibilities, routine monitoring, annual audits, reporting and general administration. Throughout the other chapters of the Forest Tax Law Handbook, policies and procedures relevant to specific aspects of MFL program include consideration of forest certification requirements and highlight where requirements for certified group members differ from general MFL program requirements. All group members are responsible for being knowledgeable on certification requirements and group procedures.

## **II. POLICY**

The department is committed to offering all small account MFL participants the opportunity to join the MFL Certified Group and conform to American Tree Farm System (ATFS) and Forest Stewardship Council (FSC) standards via administration of the Managed Forest Law. The rigorous standards for certification and the regular evaluation of conformance to these standards is consistent with the department's commitment to continuous improvement. The department facilitates participation in the Certified Group to support our vital Wisconsin forest industries and the thousands of jobs they represent by building a credible supply of certified raw materials while further optimizing the added social and ecological benefits certified forests provide.

Participation in the MFL Certified Group is entirely voluntary and separate from statutory MFL regulations under Chapter 77, Wis. Stats., and NR 46, Wis. Adm. Code. Forest certification under the MFL Certified Group is available to all MFL participants not enrolled in Large Account status and is not available to Forest Crop Law (FCL) participants. Certified group members must agree to conform to ATFS and FSC standards. Participating MFL orders cannot be covered under other FSC certificates and must disclose any past participation in an ATFS group. The department, third party certifying bodies, third party accreditation bodies, and ATFS and FSC may publish evaluation reports of the group and maintain group member information in databases.

The group administrators must interpret and appropriately apply certification standards in the context of the Managed Forest Law program and clearly explain the requirements to group members. Certification considerations are addressed through the Forest Tax Law Handbook, the Private Forestry Handbook, the Silviculture Handbook, Wisconsin Forest Management Guidelines, Forestry Best Management Practices manuals for Water Quality and Invasive species, and certified Tree Farm inspector training. Note that per the American Forest Foundation (AFF) policy on inspector training, Tax Law Forestry Specialists (TLFS) do not need to recertify after initial inspector training since Tree Farm proficiency is maintained through routine administration of the MFL program on participating MFL orders, except for training related to standard updates.

The department does not provide the official American Tree Farm sign to MFL Certified Group members. MFL Certified Group members may order signs through the Wisconsin Tree Farm Committee at their own expense. Subscription to the American Tree Farm Magazine and attendance at Tree Farm training conferences or meetings are also optional activities at the expense of individual group members.

The department pays the cost of the third-party certification audits, including 5-year full reviews and annual surveillance audits; annual ATFS Group Administrative Fee; FSC Annual Administrative Fee; and

other miscellaneous expenses related to maintaining the certificates. MFL Certified Group members are not required to hire Cooperating Foresters for any services under this chapter other than Certified Plan Writers (CPW) for plan preparation.

### **III. DEFINITIONS**

**“Audit”** An examination of the group management organization and group members’ documentation and participating MFL property to establish conformance with applicable requirements and standards.

**“Compliance”** means adherence to applicable laws and regulations as supported by evidence.

**“Conformance”** means demonstrable adherence to certification requirements and standards as supported by verification, either through field observation or applicable document review.

**“Conformance process”** means the sequence of events and actions described in Chapter 60 and Appendix 600A through which a nonconformity on a specific MFL order is resolved through corrective and preventive action or the MFL order is decertified.

**“Certifying body”** An FSC-accredited or an ATFS-accredited third-party auditor.

**“Chain of Custody”** The channel through which products are distributed from their origin in the forest to their end use.

**“Corrective Action Request”** means a finding issued at the group or individual level when a nonconformity has been identified.

**“Corrective and Preventive Action”** means an action taken by the group management or individual in response to a Corrective Action Request.

**“Department”** means the Department of Natural Resources

**“High-Risk Site”** means an MFL Certified Group timber harvest that meets one or more of the criteria for when a site visit may be warranted in Chapter 204.

**“MFL Large Account”** means land enrolled in the MFL program pursuant to s. 77.82(3)(h), Wis. Stats., as part of an ownership that exceeds 1,000 acres and meets the requirements established in NR 46.18(4), Wis. Admin. Code.

**“Routine monitoring”** Regular site visits and evaluation of documentation associated with MFL program administration and processes to confirm compliance with MFL and conformance to group rules and applicable ATFS and FSC standards.

#### **Commonly used acronyms:**

ATFS	American Tree Farm System
CoC	Chain of custody
CPW	Certified plan writer
ESRA	Environmental and Social Risk Assessment
FSC	Forest Stewardship Council
MFL	Managed Forest Law
TLFS	Tax law forestry specialist
WisFIRS	Wisconsin Forest Inventory and Reporting System

**IV. PROCEDURES**

This section contains both summary and descriptive information as well as procedural steps specific to the MFL Certified Group. Where existing MFL procedures contribute to implementation and administration of the MFL Certified Group, references to the relevant sections of the Forest Tax Law Handbook are provided.

*A. Roles and Responsibilities*

The department oversees all aspects of maintaining group certification. Most aspects of implementing forest certification and administering the MFL Certified Group are in the scope of the Division of Forestry. The responsibilities detailed are not all inclusive and may be delegated to the Forest Certification Coordinator, Tax Law Section staff, other Division of Forestry staff, and Cooperating Foresters. As a state agency, other units of the department also contribute to conformance to certification standards including, Bureau of Legal Services and Agency Tribal Liaison. External partners may not offer all listed services as part of their everyday business but are expected to be aware of the responsibilities of operating on certified MFL land and conform to the group rules and relevant ATFS and FSC standards.

<b>ROLE</b>	<b>RESPONSIBILITIES</b>
Division Forest Certification Coordinator	<ul style="list-style-type: none"> <li>• Apply for certification on behalf of landowners in the MFL Certified Group and select an accredited certification body to conduct the certification audit</li> <li>• Maintain the ATFS and FSC group certificate on behalf of the group organization and control the claims that the organization can make</li> <li>• Ensure use of applicable logos are in accordance with ATFS and FSC guidelines.</li> <li>• Ensure any public claims about the independent certification are accurate and consistent with truth in advertising guidelines</li> <li>• Ensure timely reporting to ATFS and FSC (See Reporting Requirements section)</li> <li>• Ensure timely payment of fees to ATFS, FSC, and certifying bodies.</li> </ul>
MFL Certified Group Manager	<ul style="list-style-type: none"> <li>• Maintain records of group organization</li> <li>• Track participation in the MFL Certified Group</li> <li>• Review applications for membership into the group organization</li> <li>• Process deactivation of participating MFL enrollments due to nonconformity with certification standards and routine data maintenance</li> <li>• Conduct ongoing monitoring of conformance of group administration and members with the ATFS and FSC standards</li> <li>• Represent the group organization throughout the audit process</li> </ul>

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>• Coordinate internal and external communication and education regarding the MFL Certified Group</li> <li>• Maintain Tree Farm inspector credentials</li> </ul>
Certified Group Member	<ul style="list-style-type: none"> <li>• Apply for MFL designation and group membership</li> <li>• Notify the department of current or past participation in an FSC or ATFS certified group at the time of application for the MFL Certified Group</li> <li>• Agree to follow a department approved MFL Stewardship Plan that may include practices that go beyond those stipulated in MFL statutes or administrative rules or other state, federal or local laws</li> <li>• Comply with MFL and other relevant statutes and regulations</li> <li>• Conform to ATFS and FSC certification standards, including any practices in addition to the DNR-approved MFL Stewardship Plan</li> <li>• Adhere to chain of custody requirements (see Chain of Custody section)</li> <li>• Allow access to land and documentation for the department, certifying bodies, and/or accreditation bodies during certification audits</li> <li>• Implement the Environmental and Social Risk Assessment prior to using pesticides, do not use FSC prohibited pesticides, and record and report any use of pesticides (see Pesticides section)</li> <li>• Not plant Genetically Modified Organisms (GMO) in the forest</li> <li>• Keep forest products harvested from MFL Certified Group land separate from forest products harvested from non-MFL Certified Group land</li> <li>• Adhere to Wisconsin’s Forestry Best Management Practices</li> <li>• Consider appropriate liability insurance and safety requirements in timber sales and other contracts</li> <li>• Use ATFS and FSC logos in conformance with their respective trademark policies</li> <li>• Maintain records of non-timber forest products harvested from the property</li> </ul>
Tax Law Forestry Specialist (TLFS)	<ul style="list-style-type: none"> <li>• Provide Tax Law-specific forest management guidance including: <ul style="list-style-type: none"> <li>▪ Timber harvest advice</li> <li>▪ Guidance on forest protection measures (e.g. fire, insects, invasive species, disease)</li> <li>▪ Prescribe pesticides</li> <li>▪ Tree and shrub planting plans</li> <li>▪ Assistance sourcing trees and shrubs for planting</li> </ul> </li> <li>• Review and approve MFL Stewardship Plans prepared by CPWs</li> <li>• Amend and update MFL Stewardship Plans</li> </ul>

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	<ul style="list-style-type: none"> <li>• Administer MFL program requirements</li> <li>• Monitor group member conformance to ATFS and FSC certification standards</li> <li>• Implement conformance process</li> <li>• Consult with tribal representatives, primarily when MFL property has tribal ownership</li> <li>• Review and approve MFL Cutting Notice and Reports</li> <li>• Provide guidance on forest protection measures (e.g., fire, insects, invasive species, disease)</li> <li>• Participate in forestry education</li> <li>• Provide referrals to private cooperating foresters and other natural resource professionals</li> <li>• Maintain Tree Farm inspector credentials</li> <li>• Write MFL Stewardship Plans when CPW services are unavailable to landowners</li> </ul>
Tax Law Administration Specialist (TLAS)	<ul style="list-style-type: none"> <li>• Provide Natural Heritage Inventory, cultural and historic database checks</li> <li>• Update certification status in WisFIRS during transfer, application/deactivation form, and withdrawal and send certification application or deactivation letter to landowner</li> <li>• Process and mail withdrawal orders</li> </ul>
Certified Plan Writer (CPW)	<ul style="list-style-type: none"> <li>• Write MFL Stewardship Plans</li> <li>• Provide general information to landowners to make an informed decision to enroll in MFL Certified Group when applying for MFL</li> </ul>
Cooperating, Consultant, or Industrial Forester (may not offer all services listed)	<ul style="list-style-type: none"> <li>• Provide MFL mandatory and non-mandatory practice implementation services</li> <li>• Appraise land, timber, damage, or theft</li> <li>• Forest inventory and cruising</li> <li>• Logging engineering</li> <li>• Log scaling and grading</li> <li>• Pest control/pesticide application</li> <li>• Prescribed burning</li> <li>• Road location, design, and construction</li> <li>• Surveying (if licensed) and boundary establishment</li> <li>• Timber tax counseling</li> <li>• Timber sales: preparation &amp; administration</li> <li>• Timber sales: solicit bids &amp; prepare contracts</li> <li>• Timber stand improvement</li> <li>• Tree planting and site preparation</li> </ul>
DNR Integrated Forestry Staff	<ul style="list-style-type: none"> <li>• Provide general forest management guidance to forest landowners (see TLFS list above)</li> <li>• Wisconsin Forest Landowner Grant Program (WFLGP) cost-sharing applications and information on other cost-sharing opportunities</li> <li>• Post-harvest forest recon update and regeneration monitoring</li> </ul>

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>• Coordinate with TLFS when working on MFL lands</li> </ul>
Credentialed DNR Staff	<ul style="list-style-type: none"> <li>• Assist with investigation as necessary</li> <li>• Issue citations for MFL violations</li> </ul>
DNR Tribal Liaison	<ul style="list-style-type: none"> <li>• Facilitate communication with Tribal governments Consultation further defined in department <i>Policy Regarding Consultation with American Indian Tribal Nations in Wisconsin</i>.</li> </ul>

*B. Eligibility Requirements*

1. An MFL enrolled property of 10 to 2,470 acres (1,000 hectares), and all forest parcels must be a minimum of 10 contiguous acres
2. Have a DNR-approved MFL Management Plan
3. Designate an entire MFL Order to be certified, excluding food plots, which are excised from the MFL Certified Group.
4. MFL Order to be certified is small account

*C. MFL Forest Stewardship Plan*

Group members must have a department approved MFL Forest Stewardship Plan, commonly referred to as the MFL management plan. MFL management plans summarize the mandatory and non-mandatory practices for the term of the MFL enrollment period (25 or 50 years). Group members may have additional practices and requirements to meet certification standards than standards of the MFL program. The MFL management plan contains the following information:

1. General information on the MFL program, plans, and amending plans
2. Landowner goals
3. Mandatory and non-mandatory practices
4. Stand and cover type descriptions
5. Ecological landscapes and NHI
6. Historical and archaeological resources
7. Invasive species and forest health
8. Best Management Practices for water quality
9. Forest carbon and non-timber forest products
10. Forest certification, specifically identifying some of the core group member responsibilities
11. Wildfire prevention and planning

*D. Updating Certified Group Management Plans*

While MFL management plans are intended to address management issues that are needed during the entire term of the MFL order, the plans are also adaptive and subject to update and amendment to reflect changing stand conditions, updated knowledge about what constitutes “sound forestry”, or changing landowner goals and objectives. The landowner may contact their TLFS to request an amendment to their management plan at any time and is expected to stay abreast of updates to the ATFS and FSC standards. The primary mechanism for management plan updates and/or amendments is the cutting notice filed in advance of mandatory practice completion. The following events could prompt plan updates specifically for group members, typically via the cutting notice and report process:

1. New or recently discovered NHI or cultural/historic element occurrences



2. Changes to the ATFS or FSC standards
3. Advances in silviculture or ecosystem management sciences
4. Plan contains practices not in conformance with certification standards (e.g., prescription to use an FSC prohibited pesticide)
5. Natural disturbance or changes to natural regimes (e.g. storm damage, altered hydrology)
6. Forest reconnaissance after management activity (including water quality and/or soil erosion practices) has been implemented on the property
7. Change in landowner objectives

The complete guidance for updating and amending MFL management plans is found in Chapter 205 of this handbook.

*E. Certified Group Administration*

Group application

1. New applicants for MFL designation must apply for group membership by indicating such on the application for designation.
2. Owners acquiring MFL land through transfers must apply for group membership by indicating such on the required transfer forms.
3. Owners acquiring MFL land from large accounts must have an MFL management plan prepared by a CPW (or the Department if CPW services are not available) and approved by the Department before joining the Certified Group. Application for group membership is indicated both on the transfer form and the prepared MFL management plan.
4. MFL landowners may elect to apply to join the MFL Certified Group at any time by submitting a MFL Certified Group Application/Deactivation Request (Form 2450-092).
5. Certification under the MFL Certified Group is effective immediately or when the MFL designation begins.

Group deactivation

1. MFL landowners may elect to leave the MFL Certified Group at any time without prejudice by submitting a MFL Certified Group Application/Deactivation Request (Form 2450-192).
2. Any lands that are withdrawn from MFL, whether voluntarily, involuntarily or through expiration, are also removed from group membership.
3. Deactivation from the MFL Certified Group is effective upon receipt of deactivation request or upon department action pursuant to items 2 and 4 of this list.
4. The department may deactivate a group member's membership for any of the following reasons:
  - a. Use of an FSC prohibited pesticide, except on a food plot that has been excised from the MFL group certificate
  - b. Planting genetically modified organisms (GMOs) on MFL lands, except on a food plot that has been excised from the MFL group certificate
  - c. Mixing forest products harvested from non-MFL Certified Group land with MFL Certified Group wood to falsely claim the non-MFL products under the MFL Chain of Custody certification
  - d. Willful or blatant violations of Wisconsin Forestry Best Management Practices
  - e. Refusal to allow forest certification auditors or department staff onto the property for the purpose of conformance monitoring and review



- f. Deliberate or repeated violations of federal, state or local laws and regulations applicable to forest management
- g. Inappropriate use of certification logos or trademarks
- h. Deliberate or manifest non-conformance with other forest certification indicators

Reactivating group membership and limitations

1. MFL landowners who previously departed the MFL Certified Group may reactivate membership by submitting a Managed Forest Law Certified Group Application/Deactivation Request
2. The following limitations apply to reactivation of membership:
  - a. An MFL landowner may only deactivate group membership twice. After a second deactivation request, any subsequent application to group membership will be denied.
  - b. Any MFL landowner with an outstanding corrective action request may be denied group membership.
  - c. Any MFL landowner who deactivates group membership to conduct an activity not allowed under the ATFS or FSC standards will be denied group membership.
  - d. Any MFL landowner that was previously deactivated for any of the nonconformities listed under item 4 of “Group deactivation” may not reactivate group membership for at least 12 months after deactivation and may be evaluated for conformance prior to reactivation.

*F. Maintaining Group Records*

WisFIRS Documentation

WisFIRS is the default tool for data entry and document upload for most records pertinent to individual MFL entries. However, the development of WisFIRS and staged releases with increased functionality are not retrospective. Therefore, older MFL orders may still have these records in the local field office file. Relevant records for older MFL orders are created and loaded in WisFIRS as needed during administration of the MFL program (e.g. mandatory practice implementation, plan updates or amendments, transfers, internal or external certification audits, etc.). WisFIRS currently captures the following records pertaining to forest certification:

1. General comments (may include productivity, history of landowner contacts, management recommendation, etc.)
2. MFL Land Exam
3. MFL Management Plan
4. Cutting Notice and Report
5. Monitoring records (e.g. harvest monitoring checklist, regeneration monitoring)
6. Landowner Correspondence
7. Voluntary Compliance Agreement
8. Group certification status and application/deactivation requests

Other Documentation

Other documentation necessary for MFL Certified Group administration is maintained outside of WisFIRS when it is not specifically related to individual MFL orders. This documentation described below is found on SharePoint or on the department’s external website.

1. MFL Certified Group roster
  - a. The MFL Certified Group roster containing MFL order numbers, county, municipality, township, range, section, legal description, and certification date is made available on the Department website so that any timber purchaser can verify harvests claiming use of the group certificate numbers.
  - b. The MFL Certified Group roster is updated annually to coincide with the publication of the MFL Master File.
  - c. Certifying bodies will be provided with the MFL Certified Group roster annually to document any added or deleted group members the preceding year.
  - d. Real-time data on group membership is available to partners requiring more frequent group member updates through WisFIRS.
2. Group organization monitoring reports, including pesticide use
3. Audit findings and reports, including:
  - a. A list of group members that were part of the audit
  - b. The total number of acres included within the scope of the audit
  - c. The final report and any corrective action requests issued
  - d. Corrective Action Plans
  - e. Evidence of corrective action monitoring
4. Group organization corrective action requests

#### Reporting Requirements

The MFL Certified Group manager is responsible for the following:

1. Annual reporting as defined by ATFS IMG Reporting Guidance for ATFS Data Integration and maintenance of copies of past annual reports.
2. Submission of a copy of the IMG Group Certificate and a summary of the audit report that is appropriate for public distribution to ATFS.
3. Annual data updates as required or requested by certifying bodies.
4. Internal reports covering aspects of MFL program needed to evaluate overall program performance, consistency, and management efficiency.

Group members are required to report pesticide applications on their certified lands to the department as detailed in the Pesticide Use section.

#### *G. Education and Communication*

The department's responsibilities include providing training and education to group members, department staff, and partners to ensure adequate knowledge to implement, achieve and monitor conformance with the ATFS and FSC standards.

The Certified Group takes responsibility for ensuring members are aware of certification requirements and group procedures. The strategy for ensuring this among the tens of thousands of certified group members has several components:

1. TLFS, Cooperating Foresters, CPWs, and other forestry professionals provide certification knowledge and guidance when working with group members

2. Engagement with group members at key points of interaction with MFL such as enrollment, management practice implementation, transfer, plan amendment, internal/external audit, etc.
3. Collaboration with partners such as University of Wisconsin Extension, Wisconsin Tree Farm Committee, Wisconsin Woodland Owners Association, and other partners for education, training, and outreach opportunities
4. Other high-priority targeted outreach to current and future MFL Certified Group participants
5. Maintenance of up to date website with links to ATFS and FSC certification standards

In practice, education and communication for group members includes:

- Direct mailing
- One-on-one communication
- Mandatory Practice reminder letters
- MFL Management Plan
- MFL Welcome Packet
- MFL Certified Group Tip Sheet
- MFL Certified Group Web Pages
- Gov Delivery
- Newsletters
- Stakeholder input opportunities
- New forester training series
- Tax Law team meetings and training
- CPW certification and recertification
- Wisconsin Tree Farm Committee Field Days
- Regional Woodland Owner Conferences
- UW Extension Learn About Your Land series
- WWOA Landowner Field Days
- Mandatory practice workshops
- Virtual training and “just-in-time” videos (e.g. Cutting Notice how-to, CPW training, etc)

## *H. Monitoring*

### 1. Internal Monitoring

Internal monitoring is a fundamental component of administering the MFL Certified Group and further supports the departments’s commitment to continuous improvement. It is required under both ATFS and FSC standards for certified groups. Internal monitoring looks at both the process by which the group is administered (how DNR conforms to the ATFS and FSC certified group standards) and on-the-ground forest management on certified MFL enrollments (how forest management conforms to the ATFS and FSC forest management standards). Internal monitoring is achieved through a) routine administration of the Tax Law Program and b) annual internal audits of the MFL Certified Group.

#### a. Routine Monitoring

##### Timber Harvest

To verify that MFL Certified Group timber sales conform to sound forestry and forest certification standards, TLFS follow the guidance in Chapter 204: Cutting Notices and Reports and Chapter 205: Updating and Amending Management Plans, Land Exam Data, and Documenting Mutual Agreement of the Forest Tax Law Handbook. TLFS use the Harvest Monitoring Checklist, field notes, and/or WisFIRS as appropriate to document results of post-harvest inspection.

The scale, intensity, and risk associated with a timber harvest factors into the harvest monitoring strategy. For high-risk sites, TLFS are encouraged to schedule visits for field checks when sales are active. Harvest sites may also be monitored remotely as appropriate and at the discretion of the TLFS. High and low risk harvest sites must be inspected within a reasonable time of an MFL Cutting Report being filed. If any nonconformities are observed, the TLFS follow the conformance process.

TLFS may ask landowners or their agents about timber sale contract terms to verify certification standards compliance, but TLFS do not administer private contracts. The Department does not require or keep copies of private timber sale contracts on MFL land.

#### Regeneration

ATFS standards state that reforestation shall be achieved by a suitable process ensuring adequate stocking. Likewise, FSC standards declare that forest regeneration and succession is an ecological function that shall be maintained intact, enhanced, or restored. Compliance with MFL requires that stands in establishment phase are required to meet minimum density standards for commercial species developing over a reasonable amount of time into cohorts of merchantable size. Sound forestry practices are needed to assure successful regeneration of merchantable stands, and the department has the obligation to monitor compliance and to follow up where additional practices are needed to ensure successful regeneration.

Regeneration monitoring within the MFL Certified Group occurs following the procedures described in the *MFL Regeneration Monitoring Procedures*.

#### Pesticide Use

Pesticide applications on MFL Certified Group lands shall conform to the “FSC Pesticides Policy (FSC-POL-30-001 V3-0)”, incorporate use of the Environmental and Social Risk Assessment (ESRA), minimize the use of pesticides, use the least hazardous pesticide possible, abstain from using prohibited pesticides indicated in the “FSC Lists of highly hazardous pesticides (FSC-POL-30-001a)”, and be reported to the department.

The MFL Certified Group has a web page dedicated to pesticide use that contains information on the group member responsibilities with pesticides and FSC pesticide policy, template ESRAs for common forestry pesticides, and an online pesticide use reporting form. Template ESRAs for common forestry pesticides are also available from FSC-US.

After applying pesticides, group members are expected to monitor the treatment for results and efficacy, which can inform future pesticide use and integrated pest management.

The department may become aware of prohibited applications during routine business associated with MFL and/or Private Forestry (e.g. harvest or post-harvest inspection, administration of cost-sharing grant projects, communication with group member or contractors working on certified lands, etc.). In the event that the department becomes aware of violation of pesticide policies the TLFS follows the conformance process. Depending upon the scale, intensity, and risk of the pesticide nonconformity, the TLFS may request the Group Manager to deactivate the MFL order from the certified group.

#### b. Internal Audits

On a rotating basis, the Tax Law Section conducts an annual internal audit among the Tax Law Teams. A sample of MFL Certified Group members and field offices within the audited Tax Law Team is visited to evaluate the following:

1. Conformance to ATFS and FSC standards (if not all standards are evaluated, the selection of evaluated standards is documented)
2. Administrative consistency
3. Record keeping
4. Routine monitoring
5. Working relationships with landowners and cooperating foresters
6. Cooperation with other agencies

The internal audit report evaluates program performance, consistency, and management efficiency. Additionally, the internal audit report documents the completion of any corrective action plan implementation along with a summary of conformance cases.

## 2. External Audits

On a rotating basis, Tax Law Teams are selected for annual surveillance audits conducted by third-party certification bodies. Full certification audits occur on a five-year cycle.

If a certification audit results in a corrective action request, the Group Manager must coordinate with the group organization or individual group members to develop corrective action plans and work to ensure timely implementation.

### *I. Conformance Process*

The conformance process assures that the landowner is apprised of the applicable MFL regulation or certification standard and given an opportunity to respond or correct the nonconformity within a reasonable timeline.

For members of the certified group, the processes for identifying, documenting, correcting, and closing out noncompliance and nonconformity issues are very similar, but follow slightly different pathways depending on whether the landowner is out of compliance with MFL requirements and thus also out of conformance with the certified group requirements, or whether the violation is one of the certification principles and criteria which do not overlap with MFL requirements. Ultimately, violations strictly related to certification conformance can only result in decertification whereas MFL violations can result in penalties, citations, and involuntary withdrawal from MFL as allowed in chapter 77, Wis. Stats. In all cases, the Group Manager is included in the communications with landowners involving nonconformity with certification requirements.

After a violation has been identified, TLFS follow the Steps to Successful Compliance and Enforcement in Chapter 60 and the Voluntary Compliance Agreement (VCA) process in Appendix 600A, both of which identify considerations unique to MFL Certified Group violations.

### *J. Dispute Resolution Processes*

Dispute resolution within the MFL Certified Group relies on the Dispute Resolution Process (DRP) described in Chapter 310 of the Forest Tax Law Handbook to resolve disputes related to the MFL management plan, plan amendment, or MFL cutting notice and report. Consistent with dispute resolution requirements for family forests in the FSC standard, this process seeks timely resolution of disputes outside of court.

Group members and stakeholders may also have appeal rights with respect to the Managed Forest Law and department decisions as allowed in Wisconsin State Statute and Administrative Code:

1. Judicial review, ss. 227.52 and 227.53, Wis. Stats.
2. Contested case hearing, ss. 77.90 and 227.42, Wis. Stats.
3. Petition for disputing MFL designation, s. 77.82(5)(b), Wis. Stats.

Separate dispute resolution processes also exist for the Cooperating Forester and CPW programs.

#### *K. Group Chain of Custody*

MFL Certified Group Chain of Custody (CoC) applies *only* to stumpage. The MFL chain of custody ends either at the stump, log landing, or roadside. MFL CoC certification does not apply to non-timber forest products (such as maple syrup, bark, herbs, etc.) or any value-added products that might be sold by individual group members. Loggers, paper mills, sawmills, MFL large accounts, and other businesses that intend to market MFL Certified Group wood as certified must obtain their own FSC, SFI, or PEFC CoC certification or operate under an SFI approved procurement audit system.

The department is the custodian of the following MFL Group certificate numbers and claims:

- ATFS Certificate Number NSF-ATF-1Y942 (Certifying Body: NSF-International Strategic Registrations)
- FSC Certificate Number SCS-FM/COC-004622 and claim FSC 100% (Certifying Body: SCS Global Services).

The following apply to all Chain of Custody claims:

1. MFL Group certificate numbers shall be included on all timber sale prospectuses, contracts, shipping documents and invoices, with a statement certifying that wood sold under the FSC certificate are FSC 100% if the landowner or purchaser intends to market harvested products as certified.
2. Only MFL Certified Group members are eligible to use the MFL Certified Group ATFS and FSC certificate numbers for sales of stumpage.
3. Only forest products that are reported on the MFL Cutting Report can be marketed under the MFL Certified Group certificate numbers. MFL Certified Group members must clearly separate non-MFL stumpage or cut products from wood that is advertised or sold as certified under the MFL Certified Group's certificates
4. TLFS verifies on the Cutting Notice if the land is included in the MFL Certified Group. The landowner or the landowner's agent shall provide a copy of the department approved cutting notice to the purchaser of the stumpage or cut products (in the event the landowner sells cut products directly to primary or secondary producers). Timber producers buying stumpage are provided the entire cutting notice, including any harvest specifications and maps. Buyers of cut products may be given just the page of the cutting notice displaying the ATFS and FSC certificate

numbers if the buyer wishes to establish a documentation chain. The Cutting Notice specifies that MFL Certified Group CoC ends at the stump, landing or roadside.

5. Timber purchasers can verify harvests claiming use of the group certificate numbers through the MFL Certified Group roster.
6. MFL Certified Group members may not use the FSC or ATFS logos on any non-timber forest products or value-added products unless they obtain separate, independent CoC certification for those ventures.
7. Any use of FSC or SCS Global Services certification trademarks and public information related to certification claims shall be submitted through the MFL Certified Group Manager to SCS Global Services for review and approval.
8. The department provides ATFS or FSC certifying bodies with certified product harvest volumes as needed.

#### *L. Logo or Trademark Use Approval*

Group members are eligible to use the FSC logo and/or trademark on products that they market or on brochures, advertising, websites, etc. All questions about and requests for approval of logo or trademark use shall be referred to the Forest Certification Coordinator. In general, the approval process is as follows:

1. The Forest Certification Coordinator will obtain the logo or trademark from the FSC label generator site and provide it to the group member
2. The group member must create a mock-up of the specific use of the logo or trademark
3. The Forest Certification Coordinator will submit the mock-up to the certifying body for approval
4. Upon approval, the Forest Certification Coordinator will notify the group member of the approval and the approved use to the MFL Certified Group documentation.

Use of ATFS logo and/or trademark is subject to the AFF guidance document, *Rules For Use of AFF's American Tree Farm System® Owned Logo Registered Marks*.

## **V. BACKGROUND**

The Department created the MFL Certified Group under authority in ss. 23.11, 28.01, 28.07 and 28.11, Wis. Stats. Specific to MFL, the purpose clause in s. 77.80, Wis. Stats., vests authority in the DNR "to encourage the management of private forest lands for the production of future forest crops for commercial use through sound forestry practices, recognizing the objectives of individual property owners, compatible recreational uses, watershed protection, development of wildlife habitat and accessibility of private property to the public for recreational purposes."

The Wisconsin Managed Forest Law Certified Group is registered by third-party auditors and found to be in conformance with standards for well-managed forests established by the American Tree Farm System® (ATFS), a program of the American Forest Foundation, and the Forest Stewardship Council® (FSC). The MFL Certified Group first received ATFS certification in 2005 and FSC certification in 2008.

The American Tree Farm System® (ATFS) was founded in 1941. It was envisioned as a method to educate and motivate private forest owners to sustainably manage their forests and assure the United States Congress and public that the forests are being renewed and managed responsibly. The department, University of Wisconsin Extension, forestry industry and other partners including the Wisconsin Tree Farm Committee have cooperated to promote sustainable management of small private forest holdings since the early 1950s. Up to 2004, those efforts recognized about 3,600 traditional Tree Farms covering



approximately one million acres. That number of tree farms increased ten-fold with the creation of the MFL Certified Group in 2005. Since participation in the MFL Certified Group is voluntary, landowners can decide to not participate in the MFL Certified Group and apply for participation in the traditional Tree Farm program. More information about the traditional Tree Farm program can be found through the website of the Wisconsin Tree Farm Committee (<https://www.witreefarm.org/>).

The Forest Stewardship Council® (FSC) was formed by a confederation of loggers, foresters, environmentalists, sociologists, and others at the first FSC General Assembly in 1993. It was created to influence the practice of forestry worldwide through market demand. FSC sets forth principles, criteria, and indicators that span economic, social, and environmental concerns. The FSC family forest indicators contained in the forest management standard are designed specifically for small private forest owners and this FSC guidance for “Small and Low Intensity Managed Forests” applies to family woodlands like those in Wisconsin’s MFL Certified Group.

Possible benefits of membership in the MFL Certified Group include increased private woodland owners’ confidence in responsible forest management through third-party certification and access to markets demanding certified raw materials.

Between 2005 and 2015 MFL participants were automatically included in the MFL Certified Group. MFL landowners had the opportunity to opt out of the certification program by submitting a MFL Certified Group Deactivation Request. Since 2015, a landowner must voluntarily apply for membership in the certified group through the MFL application for entry process, during the MFL transfer process, or for existing MFL owners – through the Managed Forest Law Certified Group Application/Deactivation Request.

Group members are encouraged to be actively involved in the Wisconsin Tree Farm Committee to promote sustainable forestry. They can assist the State Tree Farm Committee by providing training to other landowners, hosting tours on their property, contributing to newsletters and publications, and being involved in the ATFS and FSC group certification field audits.

**VI. REFERENCES AND RELATED DOCUMENTS**

Reference	Summary of Reference
<a href="#">s. 23.11, Wis. Stats.</a>	Describes general powers of the department to create the MFL Certified Group
<a href="#">s. 28.01, Wis. Stats.</a>	The department shall execute all matters pertaining to forestry within the jurisdiction of the state, direct the management of state forests, collect data relative to forest use and conditions and advance the cause of forestry within the state.
<a href="#">s. 28.07, Wis. Stats.</a>	“The department may cooperate with the University of Wisconsin System, with departments and agencies of this or other states, with federal agencies and with counties, towns, corporations and individuals, to promote the best interest of the people and the state in forest surveys, research in forestry and related subjects, forest protection and in assistance to landowners to secure adoption of better forestry practice.”

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<a href="#">Chapter 77, Wis. Stats.</a>	Chapter of Wisconsin Statutes containing provisions for MFL in subchapter VI.
<a href="#">s. 77.80, Wis. Stats.</a>	Establishes the purpose of the Managed Forest Law.
<a href="#">s. 77.82(3)(h)</a>	Sets acreage and ownership threshold for MFL large ownership and permits the department to promulgate rules for large ownerships.
<a href="#">s. 77.82(5)(b), Wis. Stats.</a>	Allows for governing body of municipality or resident of municipality where an MFL is to be designated to request denial of said MFL application on the basis of ineligibility within 15 days of notice of application to municipal clerk.
<a href="#">s. 77.90, Wis. Stats.</a>	“An applicant under s. <a href="#">77.82</a> or an owner of managed forest land who is adversely affected by a decision of the department under this subchapter is entitled to a contested case hearing under ch. <a href="#">227</a> .”
<a href="#">s. 77.91(7), Wis. Stats.</a>	Directs participation in MFL Certified Group to be on opt-in basis.
<a href="#">s. 227.42, Wis. Stats.</a>	Establishes the right to a hearing associated criteria, requirements and timelines for persons with a substantial interest that is “injured in fact or threatened with injury by agency action or inaction.”
<a href="#">ss. 227.52 and 227.53, Wis. Stats.</a>	Establishes that “administrative decisions which adversely affect the substantial interests of any person, whether by action or inaction, whether affirmative or negative in form, are subject to review” and the procedural requirements for judicial review.
<a href="#">Chapter NR 46, Wis. Adm. Code</a>	Chapter of Wisconsin Administrative code containing provisions for MFL in subchapter III.
<a href="#">Ch. NR 46.18(4), Wis. Adm. Code</a>	Establishes rules for MFL large ownerships
DNR Manual Code 2406.1	Establishes department policy and procedures on forest certification implementation.
<a href="#">Silviculture Handbook 2431.5</a>	DNR handbook containing silvicultural guidelines for forest management practices and forest cover types in Wisconsin.
<a href="#">Forest Tax Law Handbook 2450.5</a>	DNR handbook containing information, policies and procedures for administering the Forest Tax Law program
<a href="#">Private Forestry Handbook 2470.5</a>	DNR handbook containing information, policies and procedures for administering the Private Forestry program.
<a href="#">DNR PUB-FR-226 2018, “Wisconsin Forest Management Guidelines”</a>	Describes guidelines for generally accepted forestry management practices in Wisconsin to protect functions and values of forest resources during forest management activities.
<a href="#">DNR Form 2450-192</a>	Standalone form for voluntary application to and deactivation from the MFL Certified Group.

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<a href="#">American Forest Foundation 2021 Standards of Sustainability V2.0</a>	AFF standards and performance measures applicable to certification of tree farms
<a href="#">2021 Independently Managed Group (IMG) Certification Standards V2.0</a>	AFF standards for certified groups
<a href="#">Rules for Use of AFF's American Tree Farm System® Owned Logo Registered Marks</a>	AFF logo use rules.
<a href="#">FSC-US Forest Management Standard (v1.0) with family forest indicators and guidance</a>	FSC principles, criteria, and indicators applicable to certification of family forests
<a href="#">FSC-STD-30-005 V2-0</a>	FSC standards for certified groups
<a href="#">FSC-POL-30-001 V3-0</a>	FSC Pesticides Policy
<a href="#">FSC-POL-30-001a</a>	FSC Lists of highly hazardous pesticides

VII. DOCUMENT HISTORY

This version rescinds and replaces Summary of changes from previous version	Chapter 21 Managed Forest Law Certified Group Content was rearranged and sections were added to conform to this template. References to new and updated guidance were incorporated where relevant to administering or implementing forest certification on MFL land. Obsolete references were removed. Renumbered to Chapter 221.
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