



# Sunshine Coast Conservation Association

PO Box 1969 · Sechelt · British Columbia · V0N 3A0

October 3, 2003

Standards Council of Canada  
270 Albert St., Suite 200  
Ottawa, Ontario  
K1P 6N7  
Attn: Director, Conformity Assessment

Re: Formal Complaint of Inappropriate Decision by KPMG PRI

Dear Sir or Madam,

We respectfully request a formal review of the decision by KPMG PRI regarding International Forest Products' (Interfor) non-conformance with the requirements of the ISO 14001 standards. The Sunshine Coast Conservation Association (SCCA) is gravely concerned that the finding of minor rather than major non-conformance does not accurately assess the severity and ongoing nature of this situation. Interfor did not remedy a major non-conformance KPMG had identified in 2000. While we appreciate the complex nature of the complaint and the professional and timely manner with which KPMG handled the investigation, we believe that there are three main areas where the standards of ISO 14001 were not upheld consistently and objectively.

## **1. Ongoing non-compliance with legislation.**

It is a basic requirement of ISO 14001 that the organization comply with relevant legislation. Both the Forest Practices Board of BC (FPB) and the Administrative Review Panel ruled that Interfor's Forest Development Plans (FDPs) were non-compliant. Despite these rulings, Interfor refused to alter its FDP for Forest License A19220 for over two years.

In their investigation report, KPMG concludes:

### A) Forest Practices Board Investigation

“The FPB report does not override the Statutory Decision Maker's conclusions. As such, the FPB contention that the District Manager erred in approving the FDPs does not make the FDPs invalid. The FDPs therefore remained valid for regulatory compliance purposes.”<sup>1</sup>

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<sup>1</sup> KPMG July 30, 2003, Investigation of a Complaint Regarding Potential Non-Conformance with the Requirements of the ISO 14001 and SFI Standards, Public Summary Report, International Forest Products Ltd. Coastal Woodlands Operation, p.5

This statement is an incorrect conclusion that does not address the issue of legal compliance. We request that their conclusion be reconsidered.

In addition, the Forest Practices Board decision summarizes submissions made by Interfor regarding their policy of wildlife habitat protection. These submissions show Interfor's lack of objectives and targets and their inconsistency with their own environmental policy.

#### B) Administrative Review Panel Ruling

“Although the Company has yet to amend the FDP to address the deficiency noted by the Panel in relation to section 10(1)(c)(ii) of the FPC Act, the current category A approved status for all of the remaining blocks remains in effect.”<sup>2</sup>

Again, this conclusion fails to recognize that the intention of the Panel in making its decision was to set a precedent. One block was challenged and overturned but the implications for many blocks are clear. Interfor did not amend its FDP for compliance with Sections 10 and 41-1b in light of the Panels finding and therefore was non-compliant with the law and the basic requirement of ISO 14001.

## 2. Non-conformances

Non-conformances identified by KPMG should be classified as major, not minor, in the following instances:

#### A) Element 4.4.6 Operational Control

“Operational controls that were insufficient to adequately address the management of identified wildlife and red-listed species.”<sup>3</sup>

This non-conformance was previously identified as major in an audit in 2000 by KPMG. It was downgraded to minor after Interfor developed an instruction note that stated that all new FDPs would identify wildlife and measures for their protection.

Since that time, Interfor has amended their FDPs instead of introducing new ones. This approach effectively evades responsibility to plan for and protect old growth forests, and the habitat of marbled murrelets and mountain goats over approximately 1 million hectares of the Sunshine Coast Timber Supply Area. It is because of the chronic nature of their non-conformance, and the enormity of the consequences to wildlife habitat in our region, that we believe the only reasonable finding would be that of major non-conformance.

#### B) Element 4.5.1 – Monitoring and Measurement

“The current EMS lacks a mechanism to formally address planning related non-compliance issues that are identified by third parties.”<sup>4</sup>

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<sup>2</sup> p.6

<sup>3</sup> p.7

This lack was determined to be a minor non-conformance. We believe that it should be major because it is a simple yet critical and basic requirement of ISO 14001. Interfor's EMS could not identify and remedy the fact that an FDP was non-compliant with the law over the course of two years.

### **3. Objectives and targets and environmental policy inconsistency.**

Our request for investigation asked KPMG to look into the lack of appropriate objectives and targets for wildlife habitat and the inconsistency with environmental policy. KPMG did not address those two issues in the public summary report.

#### **Conclusion and remedy requested:**

We request that this decision be reviewed for the reasons above and because of the importance of the principle of legal compliance to the continuing certification of Interfor. In the case of Interfor's North Jervis FDP for Forest License A19220, the non-compliance was blatant and ongoing. The implication of KPMG's conclusions is that only the finding of a court would be sufficient to document legal non-compliance. If this is the case, we believe this certification is without value to the public.

We respectfully request:

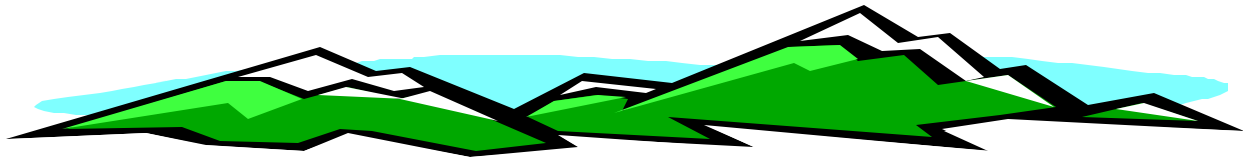
1. That the minor non-conformances identified above be changed to major.
2. That the SCC clarify that under ISO 14001, Interfor must be in compliance with relevant environmental law whether or not the government or a judicial body forces them to.
3. That the other issues outlined in our complaint, including objectives and targets in the areas of environmental impact, and inconsistency with environmental policy, be addressed.

Thank-you for your consideration.

Yours truly,

Maria Hunter,  
Researcher,  
Sunshine Coast Conservation Association

Attachments: 4



# Sunshine Coast Conservation Association

PO Box 1969 · Sechelt · British Columbia · V0N 3A0

October 3, 2003

Executive Director and  
Sustainable Forestry Board Certification Appeals Subcommittee  
Sustainable Forestry Board  
1800 N. Kent St.  
Suite 1120  
Arlington Virginia, 22209

Dear Sir or Madam,

We respectfully request a review of the validity of International Forest Products' Limited Coastal Woodlands operation certification by the Sustainable Forestry Board (SFB) executive director and Certification Appeals Subcommittee

We enclose the original documentation of our attempts, through various channels, to influence Interfor's impact on species at risk in our region. This summary was submitted to Interfor and KPMG (verifier) as a request for investigation in April of 2003.

Subsequently, Interfor had a consultant prepare an internal audit report and KPMG also investigated, with a public summary report issued July 30, 2003.

Although KPMG's report did find a minor non-conformance for SFI performance Measure 4.1.4.1.1 for Interfor's Forest Development Plan (FDP) for FL A19220, and has required them to address this in a corrective action plan, we do not have confidence that this will be sufficient to resolve the issue. We do not believe that KPMG dealt with other issues that were raised, but used a very narrow interpretation or avoided them altogether.

We request an investigation and suspension of Interfor's certification for the following reasons:

1. Interfor logged and still has plans to log in critical habitat for the marbled murrelet, mountain goats, and rare old growth stands, areas that have been identified as such by government regulatory agencies.
2. Interfor was in non-compliance for two years with Section 10 of the Forest Practices Code and refused to amend their FDP.
3. Despite record profits, Interfor will not commit enough resources to ensure that the information regarding species at risk habitat is properly identified and incorporated into the planning process.

When we requested an investigation in April it was still three months prior to the July 1 deadline for companies with SFI certification to have plans in place for species at risk. Since that deadline is now past, we request that you ask Interfor for a copy of their plans to ‘protect federally listed threatened and endangered species’<sup>5</sup> and to ‘locate and protect known sites associated with viable occurrences of critically imperiled and imperiled species and communities.’<sup>6</sup>

We hope that you will consider our appeal as neither frivolous nor vexatious. It is our society’s purpose to protect biodiversity in the Sunshine Coast region. As you can see from the documentation enclosed, we have spent a great deal of time trying to work through appropriate channels such as commenting on FDPs during public reviews, using the Forest Practices Board and working cooperatively with the Ministry of Forests, Ministry of Environment and other logging companies. We have worked hard in forging cooperative relationships with other logging companies, successfully.

We applaud SFI’s progress in requiring identification and protection for imperiled species. It is our sincere preference that Interfor does conform with your standards, since that would be the most direct and beneficial outcome to protect wildlife habitat.

Failing that, we request that Interfor’s certification be suspended in a timely manner.

Thank-you for your consideration,

Maria Hunter,  
Researcher,  
Sunshine Coast Conservation Association

Encl: 4

cc:BC SFI Implementation Committee

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<sup>5</sup> 4.1.4.1.1 core indicator #2

<sup>6</sup> 4.1.4.1.1 core indicator #3