



SUSTAINABLE FOREST MANAGEMENT
2007 ANNUAL REPORT
CANFOR FORT NELSON

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Glossary and Acronyms

Adaptive Management: A learning approach to management that recognizes substantial uncertainties in managing forests and incorporates into decisions the experience gained from the results of previous actions. Adaptive management can be simplified into "learning by doing."

Annual Allowable Cut (AAC): The allowable rate of timber harvest from a specified area of land. The Chief Forester sets specific AACs for Timber Supply Areas and Tree Farm Licences in accordance with Section 8 of the *Forest Act*.

Biogeoclimatic Ecosystem Classification (BEC): A hierarchical system of ecosystems that integrates regional, local and chronological factors and combines climatic, vegetation and site factors.

Biological richness (species richness): The number of species in a given area.

Coarse woody debris (CWD): Downed woody material of a minimum diameter or greater that is resting on the forest floor or at an angle to the ground of 45 degrees or less. CWD consists of sound and rotting logs and branches, and may include stumps when specified. Coarse woody debris provides habitat for plants, animals and insects, and a source of nutrients for soil development.

Criterion: A category of conditions or processes by which sustainable forest management may be assessed; characterized by a set of related indicators which are monitored periodically to assess change.¹

Crown Forest Land Base (CFLB): Forested land managed by the Ministry of Forests and Range is referred to as the Crown forested land base. In the CFLB, specific conditions (e.g. a stand or a group of similar trees) are assigned either to the non-harvesting land base or to the timber harvesting land base. An area can only be removed for one reduction type; for example, the area of a stand that falls within a park, and also has sensitive soils, is assigned only once to the non-harvesting land base.

Customary use rights: The rights of First Nations peoples to use lands and resources based on culturally established patterns of utilisation and management which may include fishing; hunting; trapping; gathering of foods, medicines and materials for ceremonial, spiritual, sustenance, or fabrication (e.g. clothing, artwork, building, etc.) purposes.

Defined Forest Area (DFA): A specified area of forest, including land and water. The Defined Forest Area for the Sustainable Forest Management Plan is the Vanderhoof Forest District, excluding private land and woodlots.

Forest Management System (FMS): The FMS is a systematic means of identifying, addressing and managing environmental impacts and sustainable forest management commitments within Canfor's Woodlands operations.

Forest and Range Practices Act (FRPA): The *Forest and Range Practices Act* brings in the application of a results-based system for the management of forest and range resources. It will fully replace the *Forest Practices Code of British Columbia Act* by December, 2005.

General Development Permit (GDP): permit obtained by oil and gas sector to authorize limited development of an area in preparation for exploration activities for oil and gas.

Global ecological cycles: The complex of self-regulating processes responsible for recycling the Earth's limited supplies of water, carbon, nitrogen and other life-sustaining elements.

Inoperable: Lands that are unsuited for timber production now and in the foreseeable future because of a range of factors, including elevation; topography; inaccessible location; low value of timber; small size of timber stands; steep or unstable soils; or designation as parks, wilderness areas, or other uses incompatible with timber production.

Indicator: A measure of an aspect of the criterion; a quantitative or qualitative variable which can be measured or described and which, when observed periodically, demonstrates trends. ¹

Landscape Unit: a planning area, generally up to about 100,000 ha in size, delineated according to topographic or geographic features such as a watershed or series of watersheds. It is established by the district manager.

Measure: A set of variable that provides quantitative information about the status/standard established for an indicator.

Natural disturbance: the historic process of fire, insects, wind, landslides and other natural events in an area.

Non Commercial brush (NCBR): Describes potential productive forest land that is covered with either 'Forest' or 'Brush'.

Natural Disturbance Unit (NDU): These units separate areas based on differences in disturbance processes, stand development, and temporal and spatial landscape pattern.

NHLB: Non-Harvestable Land Base This is area not considered part of the THLB. This includes areas excluded from contributing to timber supply during the TSR process, such as parks, riparian reserve areas, inaccessible areas, inoperable areas, non-merchantable forest types, low productivity types, recreation features, and environmentally sensitive areas.

Old Growth Management Area (OGMA): areas which contain, or are managed to replace, specific structural old-growth attributes and which are mapped out and treated as special management areas.

Predictive Ecosystem Mapping (PEM): A computer, GIS and knowledge-based method that divides landscapes into ecologically-oriented map units for management purposes.

Recreation Opportunity Spectrum (ROS): a mix of outdoor settings based on remoteness, area size, and evidence of humans, which allows for a variety of recreation activities and experiences. The descriptions used to classify the settings are on a continuum and are described as: rural, roaded resource, semi-primitive motorized, semi-primitive non- motorized, and primitive.

Regeneration delay: the maximum time allowed in a prescription, between the start of harvesting in the area to which the prescription applies, and the earliest date by which the prescription requires a minimum number of acceptable well-spaced trees per hectare to be growing in that area.

Riparian: Area adjacent to a stream, river, lake or wetland. The FPC Riparian Management Area Guidebook defines it as "areas [that] occur next to the banks of streams, lakes, and wetlands and include both the area dominated by continuous high moisture content and the adjacent upland vegetation that exerts an influence on it".

Riparian Reserve Zone (RRZ): The portion of the riparian management area or lakeshore management area located adjacent to a stream, wetland or lake.

Seral: the stage of development of an ecosystem, from a disturbed, un-vegetated state (early-seral) to a mature plant community (late-seral).

Site Index: an expression of the forest site quality of a stand, at a specified age, based either on the site height, or on the top height, which is a more objective measure.

Snag: a standing dead tree, or part of a dead tree, found in various stages of decay—from recently dead to very decomposed.

Stream Crossing Quality Index: a field based hazard assessment of the potential for accelerated erosion and sediment delivery at stream crossings. The procedure evaluates and scores the potential for eroded sediment to reach the stream environment. A high score infers that there is a significant erosion problem which may in turn cause sediment related water quality problems.

Sustainable Forest Management (SFM): Management “to maintain and enhance the long-term health of forest ecosystems, while providing ecological, economic, social and cultural opportunities for the benefit of present and future generations”¹

Target: A specific statement describing a desired future state or condition of measure. Targets should be clearly defined, time-limited and quantified, if possible.

Timber Harvesting Landbase (THLB): The area of the Defined Forest Area available for timber extraction.

Traditional Use Study (TUD): Compilation of data respecting historic use of the land and resources by First Nations

Acronyms

AAC Allowable Annual Cut	MOFR British Columbia Ministry of Forests and Range
AIA Archaeological Impact Assessment	MPS Market Pricing System
AMD Amendment	NSOGO Non Spatial Old Growth Order
AOA Archaeological Overview Assessment	NSR Not Satisfactorily Restocked
BCTS BC Timber Sales	NTPF Non-Timber Forest Products
BEC Biogeoclimatic Ecosystem Classification	OGMA Old Growth Management Area
BEO Biodiversity Emphasis Option	OHSC Occupational Health and Safety Committee
Canfor Canadian Forest Products Ltd.	OSB Oriented Strandboard
CHR Cultural Heritage Resource	PAG Public Advisory Group
CFS Canadian Forest Service	PEM Predictive Ecosystem Mapping
CFLB Crown forested land base	PMP Pest Management Plan
COPI Creating Opportunity for Public Involvement	PRISM Public Response for Informed Sustainable Management
CP Cutting Permit	RMZ Riparian Management Zone
DBH Diameter at Breast Height	ROS Recreation Opportunity Spectrum
EFG Early Free Growing	RRZ Riparian Reserve Zone
FDP Forest Development Plan	RVQC Recommended Visual Quality Class
FMS Forest Management System	SDE Spatial Data Engine
FG Free Growing	SFMP Sustainable Forest Management Plan
FIA Forest Investment Account	SI50 Site Index for age 50
FPC Forest Practices Code	SOP Standard Operating Procedure
FSP Forest Stewardship Plan	Sx White Spruce
GENUS Name for data management system	TBD To be determined
GIS Geographic Information Systems	THLB Timber Harvesting Land Base
GMZ/GRZ General Resource Zone	TSA Timber Supply Area
ILMB Integrated Land Management Bureau	TSR Timber Supply Review
ITS Incident Tracking System	UWR Ungulate Winter Range
KDC Kaska Dene Council	VRI Vegetation Resources Inventory
LFG Late Free Growing	VQO Visual Quality Objective
LRMP Land Resources Management Plan	WQCR Water Quality Concern Rating
LU Landscape Unit	WHA Wildlife Habitat Area
LUPG Landscape Unit Planning Guide	WTP Wildlife Tree Patch
MAI Mean Annual Increment	WTR Wildlife Tree Retention
MOA Memorandum of Agreement	

¹ The State of Canada’s Forests 2001/2002, as cited by the CSA.

Executive Summary

Fort Nelson Defined Forest Area location

The Defined Forest Area (DFA) of the SFM Plan is the Fort Nelson Timber Supply Area (TSA) as described for the Timber Supply Review. The Fort Nelson DFA is located in the northeastern corner of British Columbia and covers approximately 9.8 million hectares, bordering Alberta to the east and the Northwest Territories and the Yukon Territory to the north. The Alaska Highway (Highway # 97) is the main access to the town of Fort Nelson and the only major service road within the DFA. The Alaska Highway leads travelers north from Dawson Creek, BC, through the Yukon to Fairbanks, Alaska. The 317 Road (Highway 77), so named because it begins 17 miles from Fort Nelson (Mile 300 on the Old Alaska Highway), is the only other year round road access to the Fort Nelson area, providing access to the Northwest Territories (source MOFR website).



Figure 1: Fort Nelson Defined Forest Area

Purpose

This report is prepared as part of the annual assessment to confirm Canfor's continued implementation of the CSA SFM standard. This report is the third edition since registration to the CSA-Z809-02 standard and provides a status from April 1, 2007 to March 31, 2008 of the locally developed measures of the SFMP. The SFM Annual Report date is due May 15th annually. The SFM Management Review date will be conducted upon completion of the annual report with a focus on measures that did not meet the target. In this report, each measure is re-iterated, and a brief status update is provided. For further reference to the intent of the measures, or the practices involved, the reader should refer to Canfor's

Sustainable Forest Management Plan for the Fort Nelson DFA (SFMP, March 15, 2005, revised date). Reporting for BC Timber Sales is provided in a separate report.

Circumstances affecting SFM process

Canfor Corporation announced on January 18th, 2008 that due to poor wood product markets, a high Canadian dollar and record low oriented strand board (OSB) prices, its PolarBoard OSB and Tackama plywood mills in Fort Nelson would be closing indefinitely. The Polarboard closure took effect once the existing inventories were utilized and finished products shipped, which occurred in early June 2008. On February 26th, 2008 it was announced that Canfor's Fort Nelson Tackama mill would continue operations, largely because of the efforts of the United Steel Workers Union, employees, suppliers, the provincial government and contractors to identify means to reduce costs at Tackama and establish a business case to keep Tackama operating. Through the contributions of the union, employees, contractors and suppliers and policy changes announced by the provincial government a business case was made to continue operations at Tackama. The business case was predicated upon Tackama realizing the intended cost savings and continued positive performance of plywood markets.

Although Tackama has performed very well and met record production targets, Canfor Corporation has reassessed Tackama's situation and announced on October 8th, 2008 that due to the continued poor demand and low prices for plywood across North America, it will be closing indefinitely its Tackama plywood plant in Fort Nelson. The current market conditions and future outlook for plywood prices were not encouraging, with no evidence of a turnaround in the near future and consequently Canfor had to curtail production to address the reduced market demand.

The closure of the PolarBoard mill, followed later by the closure of the Tackama mill affects the PRISM and Public Advisory Group in the following way:

- Reduced and/or no operational activities will affect reporting of certain measures;
- Layoffs and staff re-location renders data collection difficult (staff left amidst reporting period);
- Reduced resources available to continue with frequent PAG meetings, resulting in reduced numbers of meetings and field tours;
- Difficulties to attract new PAG members, promote their interest in forestry and to maintain current membership during the challenging economic climate that the forest industry is currently experiencing;

Overview of Achievements Canfor

For the 2007 reporting year the following list describes the results achieved:

- ✓ 75 of the 89 measures were achieved (84%),
- ✓ 10 measures are pending (11%),
- ✓ 4 of the indicator objectives were not met (5%).

The overview of target achievements in this section captures Canfor's performance measures. BC Timber Sales is responsible for reporting their achievements through their Annual Report. Figure 2 below compares the 2007 measure achievement to previous reporting periods. An increase in measures being achieved and a decrease in pending measures are noticeable which is explained through the completion of projects identified in the knowledge gap matrix.

Three of the four measures not achieved in 2007 were also not achieved in 2006 (measure 1-2.1b Stand Level Retention, 2-3.3 Compliance with Free Growing and measure 4-2.5 Percentage of Dollars). Measures that were not met will be discussed during the upcoming Management Review and actions will be identified that should result in an improving trends.

The Fort Nelson Public Advisory Group (PRISM) completed the revision of ecological, economic and social measures throughout 2006 to 2007, with the intent of updating the status, and eliminating redundant measures. The outcome of the measure revision completed in 2007/2008 is shown in Table 1 in form of the current status, e.g. measure has been deleted (D), revised (R) or added as a new measure (N). The ecological measures that were revised in 2006 are reported out in this annual report and not included in the status update. The performance of the revised suite of measures noted in Table 1 will be included in the 2008 Annual Report, with exception of all measures that were identified as being deleted.

In addition, Figure 3 shows the amount of measures that were removed during the measure revision process since 2006. The mandate of the measure revision process, which is to make the SFM Plan more manageable and of improved quality, has largely been achieved as the overall number of measures has been reduced by 40% (104 original measure – including sub-measures compared to 62 revised measures).

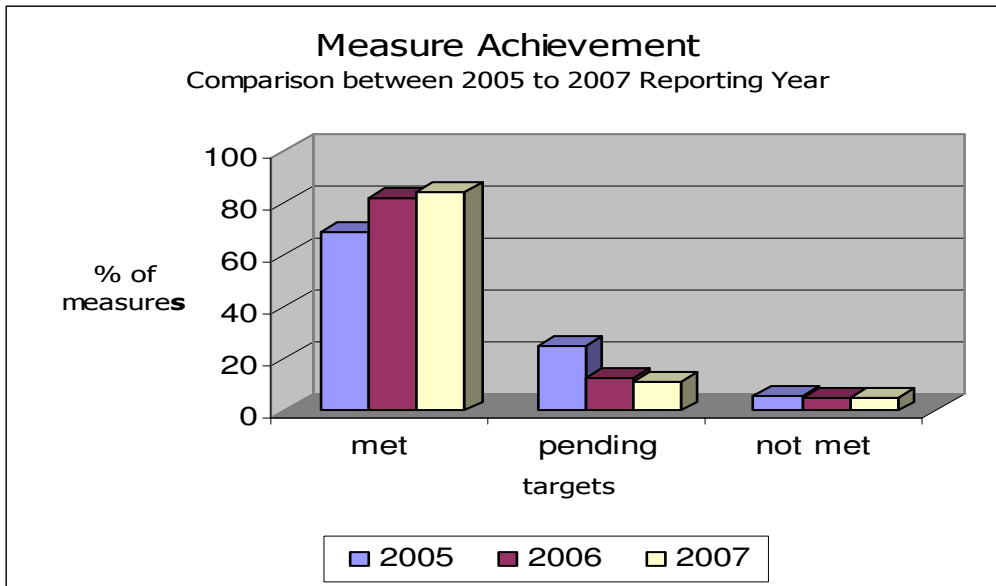


Figure 2: Comparison of measure achievement Canfor 2005 to 2007

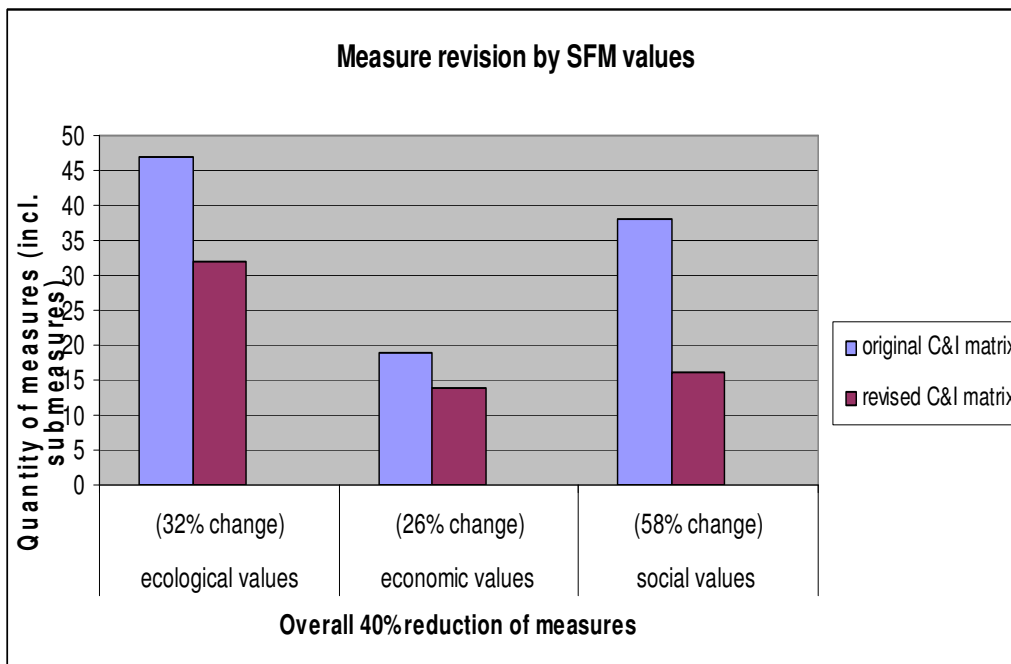


Figure 3: Comparison of measure reduction by SFM value

Following is a summary of 2007 measures:

Table 1: Summary of Canfor's 2007 measure status and update on status of revised measures

Measure		Target Met	Target Pending	Target Not Met	Measure Revision 2007-2008 R=Reworded D= Deleted N= New
1-1.1	Ecosystem Representation	✓			2006
1-1.2	Seral Stages	✓			2006
	Habitat Elements				2006
1-2.1a	Dead standing trees	✓			2006
1-2.1b	Stand Level Retention			✓	2006
1-2.1c	Coarse Woody Debris	✓			2006
1-2.1d	Riparian areas	✓			2006
1-2.1e	Shrub areas		✓		2006
1-2.1f	Hardwood areas		✓		2006
1-3.1	Vertebrate Species Populations		✓		2006
1-3.2	Management Strategies	✓			2006
1-4.1	Protected Areas	✓			2006
1-4.2	Special Sites – Biological Significance	✓			2006
1-4.3	Management Activities Consistent – Muskwa-Kechika	✓			2006
1-4.4	General Wildlife Measures	✓			2006
1-5.1	Stream Crossings – Surveyed WOCR	✓			2006
1-5.2	Stream Crossings – Installed/Removed	✓			2006
1-5.3	Stream Crossings – Inspections/Mitigation measures	✓			2006
1-6.1	Conifer Seeds – accordance with regulation	✓			2006
1-6.2	Aspen Regeneration – Natural Regeneration	✓			2006
2-1.1	Site Index	✓			2006
2-2.1	Forest Converted to Non-Forest Land use	✓			R
2-2.2	Long Term Detrimental Soil Disturbance	✓			R
2-2.3	Landslides	✓			R
2-2.4	Response to Oil and Gas information requests				N
2-3.1	Regeneration Delay	✓			2006
2-3.2	Compliance with Regeneration Standards			✓	2006
2-3.3	Compliance with Free Growing			✓	2006
2-4.1	Treatment plans for natural disturbance events	✓			2006
2-4.2	Percent of catastrophic natural disturbance events	✓			2006
3-1.1	Carbon stored in trees and non-tree Vegetation	✓			2006
3-2.1	Carbon Pool – Forest Products		✓		D
3-3.1	Carbon Sequestration	✓			2006
4-1.1	Total Value of Timber Harvested	✓			R
4-1.2	Timber Supply Certainty	✓			R
4-1.3	Percentage Harvested Area Regenerated to Target Species	✓			D
4-2.1	Employment in Forestry Sub-sector	✓			R
4-2.2	Income from Forestry	✓			R
4-2.3	Indirect/Induced Employment and Income Estimates	✓			R
4-2.4	Percentage of Dollars Spent			✓	D
4-2.5	Opportunity to Purchase Wood	✓			D
4-3.1	Fees Paid by Forest Industry	✓			R
4-3.2	Personal Income Taxes Paid		✓		D
4-4.1	Opportunities for First Nations	✓			R
4-4.2	BCTS timber sales bids, Small Scale salvage and NRFL's				N
4-5.1	Competitiveness of Delivered Logs Costs		✓		R
4-5.2	Competitive Primary Milling Facility	✓			-
4-6.1	Assessment of Damaging Events or Agents	✓			D
4-6.2	Management Strategies for Damaging Events or Agents	✓			D
5-1.1	Potential for Marketed Non-Timber Benefits		✓		-
5-1.2	Number of Jobs in NTF Sector		✓		R
5-1.3	Income from Jobs in NTF Sector		✓		D
6-1.1	Employment by Sector – Local Economy	✓			R
6-1.2	Income by Sector – Local Economy	✓			R
7-1.1	Stakeholder Analysis	✓			R
7-1.2	Communication / Participation Plan	✓			R
7-1.3	Effective Public Advisory Group	✓			R

Measure		Target Met	Target Pending	Target Not Met	Measure Revision 2007-2008 R=Reworded D= Deleted N= New
7-1.4	Equitable and Inclusive Deliberation Process	✓			-
7-1.5	Open and Transparent Reciprocal Exchange of Social Values / Opinions	✓			R
7-1.6	Endorsed SFM Plan	✓			D
7-2.1	Effective Communication with the Public of Information	✓			D
7-2.2	Reciprocal Knowledge Exchange	✓			D
7-3.1	Adaptive Management Strategy	✓			D
7-3.2	Monitoring Plan for Indicators	✓			D
7-3.3	Forecasting Plans for Indicators	✓			D
7-3.4	Information Management System	✓			D
7-3.5	Reporting and Analysis	✓			D
8-1.1	Percentage of Resolved Disputes	✓			R
8-1.2	Dispute Resolution Mechanism	✓			D
8-2.1	Participation in Implementation of Treaty & Use Rights Strategies	✓			R
8-2.2	Access to Resources for First Nations	✓			D
8-2.3	Satisfaction with Access to Resources for First Nations		✓		D
8-3.1	Reciprocal Knowledge Exchange with First Nations	✓			R
8-3.2	Consideration and Accommodation of Known First Nations Cultural Issues	✓			R
8-3.3	Consideration and Accommodation of First Nations Rights and Interests of Non-Timber Forest Products	✓			D
8-4.1	Baseline Cultural Uses of Local Forest Resources	✓			D
8-4.2	Logging Details Accessibility to First Nations	✓			D
8-4.3	Meaningful First Nations Participation	✓			D
8-4.4	Comprehension of Management Plans	✓			D
9-1.1	Area and Percentage of Forests Managed for Recreation Activities	✓			R
9-1.2	Number of Recreation Sites/Facilities	✓			D
9-1.3	Access Routes, Appropriate For Recreational Use	✓			D
9-1.4	Recreation Opportunities Maintained	✓			D
9-2.1	Compliance with Visual Quality Objectives	✓			R
9-2.2	Compliance with LRMP Comment Concerning Visuals	✓			D
9-3.1	Identification and tracking of existing – Unique or Significant Places and	✓			R
9-3.2	Track – newly discovered - Unique or Significant Places and Features and	✓			R
9-3.3	Degree of Protection Described	✓			R
9-4.1	Safety Incidences	✓			R
9-4.2	Observance of Recognized Safety Standards	✓			R
9-4.3	Written Safety Policies – Implemented & Effective	✓			R
9-4.4	Safety Occurrence Summary	✓			R
		75	10	4	

Continuous Improvement

To facilitate reporting and continuous improvement of the measures and targets in the SFM Plan, and to ensure that data is collected in a timely and orderly fashion, each measure will be recorded and tracked. This will occur either in Canfor's 'GENUS Environment' module or in a separate database specific to the measure. GENUS acts like a warehouse for most SFM tasks, tracking responsibilities, due dates, and progress comments.

1-1.1 - Ecosystem Representation

Measure 1-1.1 The number, size and type of distinct habitat types in both the THLB and NHLB	
Target	Results
1. 100% of rare ecosystem clusters (< 2000 ha) will be reserved from harvest.	Zero hectares of rare ecosystem clusters were harvested. Target met.
2. Where less than 50% representation in the NHLB of uncommon ecosystem clusters (defined as < 1% abundance in the CFLB) management strategies to maintain representation will be developed and implemented.	Zero hectares of uncommon ecosystem clusters were harvested. Target met.
3. Develop and implement management strategies to maintain representation of red and blue listed ecosystem communities with a low or very low resilience to disturbance.	0.13 ha of Red/Blue listed ecological community overlap in OBL026; presence has not been confirmed.

Target Met		
Yes ✓	No	Pending

Table 2: Significant plant communities within Canfor cutblocks

BLOCK	NAR [HA]	GROSS AREA [HA]	ECOSYSTEM CATEGORY	ECOSYSTEM OVERLAP [HA]
OBL026	511.5	544.89	Uncommon ecosystem community	0.13 (not confirmed)

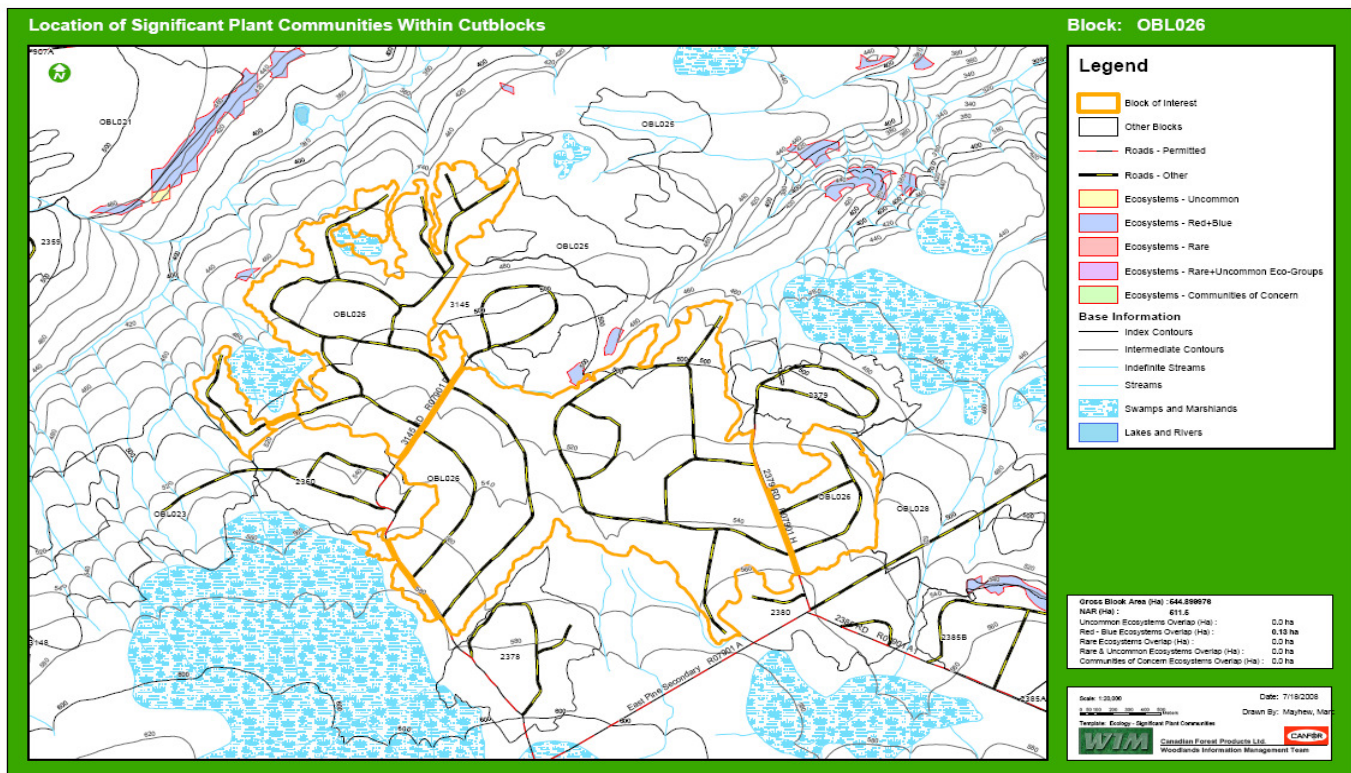


Figure 4: overlay of red/blue listed plant communities within OBL026

Reference

- Ecosystem Representation Analysis March 31, 2005_Forest Ecosystem Solutions Ltd.
- Sites of Biological Significance Standard Operating Procedure _ Dec. 11, 2007

1-1.2 - Seral Stages

Measure

Percent area by old and mature+old seral stage by Landscape Unit and BEC variant for crown forest land base (CFLB) affected by forest management operations

Target	Results
Show improving trend of meeting targets as per Provincial Non Spatial Old Growth Order and LUPG	Table 4 summarizes the results recorded in this reporting period relating to targets for Mature + Old and Old seral stages. A relative comparison of the results of this reporting period to those in the previous reporting period, indicates that an improving trend toward meeting targets as per NSOGO and the LUPG was achieved in most biogeoclimatic variants. The trend between 2005 and 2007 can be seen in Figure 5. The trend within the BWBSmw2 variant is increasing, while some variation exists for the other variants due to the fact that harvesting did not occur in those variants and that natural disturbances (i.e. wildfires) took place.

Table 3: Seral stage distribution in the Fort Nelson DFA

	NHLB vs THLB Comparison		Mature + Old	Old	Total (Ha)
	NHLB	THLB	Current	Current	
	(Ha)	(Ha)	(Ha)	(Ha)	
Total	6,566,630	1,217,259	2,285,915	869,511	7,783,889

Table 4: Summary of seral stage distribution for mature+old and old

	Mature + Old Summary			Old Summary			Drawn Down Old Summary		
	Count of Target Met	Count of BEO/BEC	% Target Met	Count of Target Met	Count of BEO/BEC	% Target Met	Count of Target Met	Count of BEO/BEC	% Target Met
BWBS dk 1	8	8	100%	8	8	100%	8	8	100%
BWBS dk 2	7	8	87.5%	6	8	75.0%	6	8	75.0%
BWBS mw 2	18	18	100%	14	18	77.8%	15	18	83.3%
BWBS wk 2	0	2	0.0%	0	2	0.0%	0	2	0.0%
BWBS wk 3	9	9	100.0%	3	9	33.3%	4	9	44.4%
SWB mk	9	9	100.0%	0	9	0.0%	0	9	0.0%
SWB mks	7	7	100.0%	0	7	0.0%	0	7	0.0%

Target Met

Yes ✓	No	Pending
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Recommendations – Next Steps

Currently, the Integrated Land Management Bureau (ILMB) is working towards the establishment Old Growth Management Areas (OGMA) for the Fort Nelson TSA, in an effort to replace the legal requirement to adhere to the NSOGO. Upon the establishment and implementation of OGMA within the Fort Nelson TSA, Canfor will revise this measure and related provisions within the FSP to address this change.

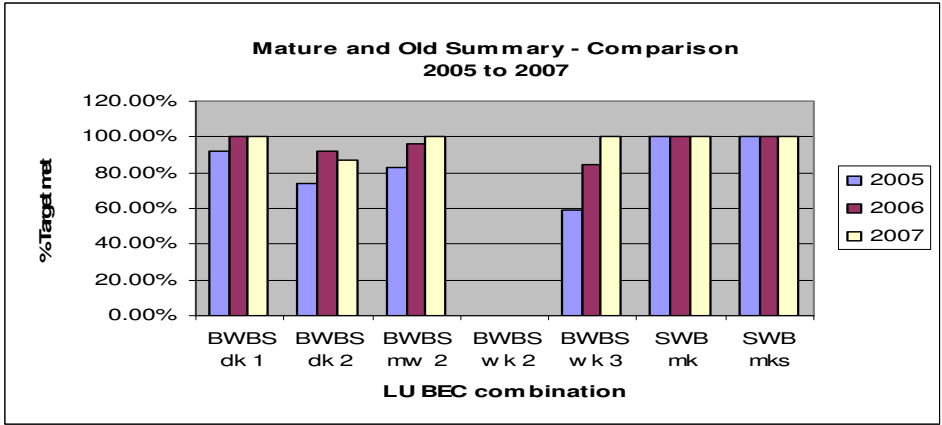


Figure 5: Seral stage distribution 'mature and old'

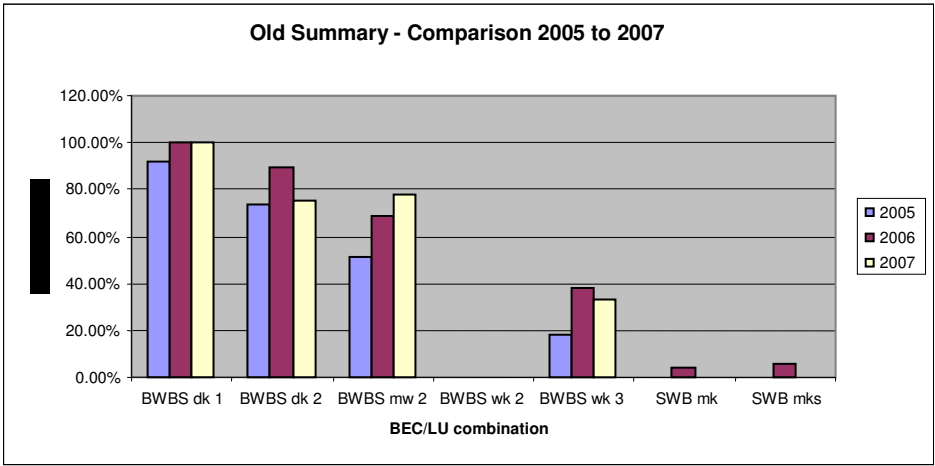


Figure 6: Seral stage distribution 'old'

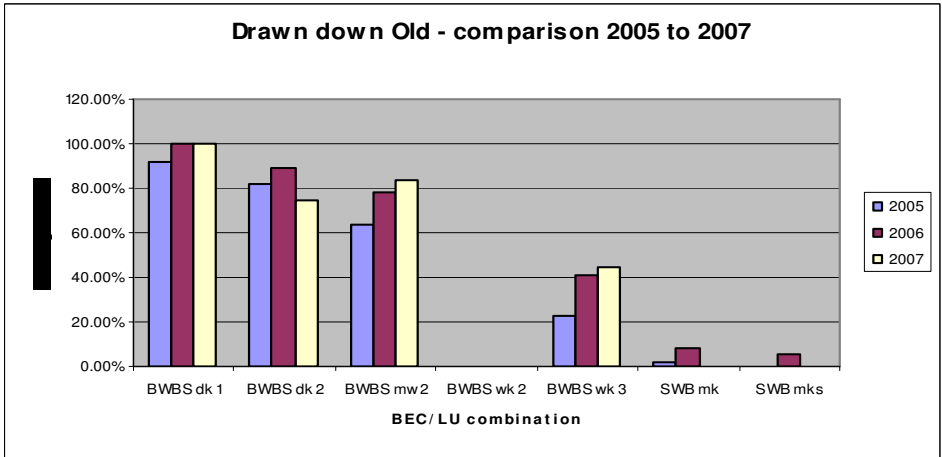


Figure 7: Seral stage distribution 'drawn down old'

1-2.1 a) - Dead Standing

Measure 1-2.1a Dead standing trees on harvested areas in the THLB	
Target	Results
Average of ≥ 7 snags and/or live trees/ha where prescribed after harvesting in THLB. (-2)	\geq to 7 live trees and/or stubs/ha maintained on blocks where prescribed.

Table 5: Canfor dead standing/live trees on harvested areas

	CP/TSL	Block	Operating area	Average # of total snags/trees /stubs per ha where prescribed
1	A74703	TSO003	Tsoo	8
2	A74703	TSO002	Tsoo	7
3	374	KLD1754	Kledo	10
4	459	CAT5332	Catkin	7
5	A69687	NDD120	North Dunedin	14
6	A70452	NDD142	North Dunedin	24
7	A65232	NDD127	North Dunedin	10
8	A65232	NDD121	North Dunedin	14

Target Met		
Yes ✓	No	Pending

Reference
<ul style="list-style-type: none"> • Snag SOP Feb. 21, 2006SFM reporting checklists • "Wildlife Trees and Coarse Woody Debris: Baseline Data and Procedural Considerations for the Fort Nelson TSA" prepared by Silvicon Services Inc. and Manning, Cooper and Associated Ltd. March 31, 2006

1-2.1 b) - Stand Level Retention

Measure1-2.1b Stand Level Retention by Landscape Unit and BEC Variant	
Target	Results
100% conformance with locally developed targets as identified in respective licensees FSP's	The current practice is to follow the LUPG targets for wildlife tree patch (WTP) retention. Table 6 shows that the retention of WTPs have been underachieved in the Stanolind, Fort Nelson River, Muskwa River and Irene East Landscape Units (LUs). Overall 2,944 ha were harvested and 171 ha retained as WTPs (5.8%). The results in Table 6 are misleading with respect to Canfor's actual success in achieving the target set for this measure. Due to the fact that Canfor manages retention on a Cutting Permit (CP) basis (not a block by block or LU basis), and that CP's may extend over a period of 4 to 5 years, the values depicted in Table 6 are not a true reflection of the success Canfor has had in regards to retention in a given year. A truer measure of Canfor's success would be found through an analysis of CP's completed in a given reporting period, comparing the percent of retention achieved by CP to the target level of retention established for a given LU. This analysis not only better illustrates Canfor's achievements with respect to meeting retention targets on a year to year basis for a given LU, but it is also more consistent with Canfor's current management strategies and reporting requirements. Table 7 depicts the Canfor's achieved level of retention by CP relative to the targets set for a given LU. A review of Table 7 shows that WTP targets have been achieved in 12 out of 16 LU's (75%) when evaluated on a completed CP basis. Upon further review of the harvest blocks contained within the CPs

identified as having not met the retention targets in Table 7, it was found that a number of blocks contained within these CPs overlap more than a single LU. In these cases failure to achieve retention targets for a given LU within a given CP can be explained by the fact that the WTP area retained within in a given block may have fallen largely or even entirely within a single LU, leaving the other LU deficient or void of WTP area (i.e. WTP located at one end of the block). WTPs are assigned within harvest blocks in forest types representative of the forest types being harvested, in a configuration, size and location that take into account percent retention area requirements, and habitat suitability. It is not common practice to allocate WTP area proportional to the percentage of LU area within a given block. Rather, the WTP area is assigned in the most appropriate location given the characteristics of the harvest block and surrounding area, irrespective of LU area proportionality. Although the above serves to explain the deficiencies with respect to the achievement of targets stated in this measure, it does not preclude the fact that the target for this measure have not been achieved during this reporting period as prescribed. It is recommended that the target statement(s) for this measure be realigned to improve transparency, simplify reporting, and better represent practices currently employed for managing stand level retention (CP balancing).

Table 6 : Stand level retention for all Canfor cutblocks harvested between April 1/07 and April 17th/08

Landscape Unit		Biogeo	Harvested Area (ha)	WTP Area (ha)	Retention (%)	Target Retention (%)
12	Esekai	BWBSmw	288.9	33.7	10.4	3.0
22	Stanolind	BWBSmw	105.7	4.7	4.2	7.0
34	Kledo	BWBSmw	336.3	18.0	5.1	3.0
37	Catkin	BWBSmw	521.1	42.3	7.5	2.0
65	Liard_River_C	BWBSmw	334.4	45.1	11.9	7.0
66	Fort_Nelson_River_B	BWBSmw	34.0	0.0	0.0	10.0
68	Muskwa_River_B	BWBSmw	6.7	0.0	0.0	11.0
36E	Irene_E	BWBSmw	793.1	2.2	0.3	2.0
36W	Irene_W	BWBSmw	523.5	24.9	4.5	2.0
Total			2,943.7	170.9		

Table 7 : Stand level retention by cutting permit for all Canfor cutblocks harvested between April 1/07 and April 17th/08

Permit	BEC	Landscape Unit (#)	Harvested Area (ha)	WTP Area (ha)	Retention (%)	Target Retention (%)
139	BWBSmw	Eskai (12)	200	29	12.7	3.0
192	BWBSmw	Irene W (36W)	87	15	14.8	2.0
210	BWBSmw	Irene W (36W)	39	1	3.1	2.0
374	BWBSmw	Kledo (34)	173	16	8.4	3.0
	BWBSmw	Muskwa_River_B (68)	7	0	0.0	11.0
448	BWBSmw	Irene E (36E)	31	0	0	2.0
459	BWBSmw	Catkin (37)	521	42	7.5	2.0
461	BWBSmw	Fort Nelson Rv B (66)	9	0	0.0	10.0
	BWBSmw	Irene E (36E)	515	21	3.9	2.0
APR-65232	BWBSmw	Irene E (36E)	77	8	9.1	2.0
APR-67174	BWBSmw	Stanolind(22)	37	4	9.8	7.0
APR-69687	BWBSmw	Irene_E (36E)	3	1	19.5	2.0
	BWBSmw	Liard_River_C (65)	58	9	13.2	7.0
APR-70452	BWBSmw	Fort_Nelson_River_B	8	0	0	10.0

Permit	BEC	Landscape Unit (#)	Harvested Area (ha)	WTP Area (ha)	Retention (%)	Target Retention (%)
	BWBSmw	Irene_E (36E)	31	2	5.1	2.0
APR-74703	BWBSmw	Stanolind (22)	155	12	7.1	7.0
Total		TOTAL	1,951	160		

Target Met		
Yes	No /	Pending

Recommendations and Next Steps

It is recommended that the target statement(s) for this measure be realigned to improve transparency, simplify reporting, and better represent practices currently employed for managing stand level retention (CP balancing). It could be considered to report out on completed cutting permits (i.e. CPs that expire within the reporting period), rather than on an individual block basis by LU/BEC combination.

Reference

- SFM Crystal report SFMP 1-2.1b stand level retention by cp
- SFM Crystal report SFMP 1-2.1 b stand level retention
- FSP

1-2.1 c) - Coarse Woody Debris

Measure 1-2.1 c Coarse Woody Debris (CWD) on harvested areas in the Timber Harvest Land Base (THLB)	
Target	Results
Coarse woody debris: Interim > 4 logs (2m or greater length; 7.5 cm or greater top diameter)/ha after harvesting (0)	The results exceeded the required target for Coarse Woody Debris (CWD) by far since a log of 2 m length with 7.5 cm top and butt converts to 0.01 m3. Four logs of this size would amount to only 0.04 m3 per hectare and represent the minimum target. The higher amount of CWD left on cutblocks harvested within the reporting period is based on higher top diameter used at the mill. With the announcement of the indefinite mill closure on Jan. 18th, 2008 deciduous trees were left behind to adjust to current mill requirements, resulting in higher levels of waste on various cutblocks.

Table 8: Canfor CWD volumes based on Waste and Residue surveys

2007 - 2008 WASTE		
CP/FLC	Block	Dispersed in M3
159	CAT5332	29.7
459	CAT2592	50.1
461	OBL026	62.8
210	IRN2081	72.7
374	KLD1754	18.3
448	NDD2513	43.4
A65232	NDD121	58.9
A70452	NDD142	81.0
A69687	NDD122	19.7
A65232	NDD127	51.6
A67174	TSO239	10.0
A74703	TSO002	64.0
A74703	TSO003	4.3
192	IRN2085	Not compiled at time of reporting

2007 - 2008 WASTE		
CP/FLC	Block	Dispersed in M3
139	KLU2321	57.0

Target Met		
Yes ✓	No	Pending

Reference
<ul style="list-style-type: none"> “Wildlife Trees and Coarse Woody Debris: Baseline Data and Procedural Considerations for the Fort Nelson TSA” prepared by Silvicon Services Inc. and Manning, Cooper and Associated Ltd. March 31, 2006.

1-2.1 d) - Riparian Areas

Measure 1-2.1 d Riparian areas in the Timber Harvest Land Base (THLB)	
Target	Results
Riparian reserve zone standards will meet or exceed strategy/standards as defined in approved FSP/FDPs(0)	No infractions to any Riparian Reserve Zones of S1 to S3 streams occurred during the reporting period, no incidents were recorded in the ITS system. The target has been met 100% for Canfor blocks.

Table 9: Blocks with Riparian Reserve Zones (RRZ's)

Harvested blocks with Riparian Reserve Zones(RRZ)	Classification			
	S1	S2	S3	Infractions
OBL026			1	
CAT2594 (Partial Harvest)			1	
NDD120 (Partial Harvest)			1	
NDD121			1	
Total	0	0	4	0

Target Met		
Yes ✓	No	Pending

1-2.1 e) - Shrub Areas

Measure 1-2.1 e Shrub areas across the Crown Forest Land Base (CFLB)	
Target	Results
Sustain current baseline shrub habitat % in the THLB (0.5%) while tracking the trend in the NHLB (using updated inventory information)	Shrub areas are defined as stands less than 20 years old. Table 10 shows that in the 2007 reporting period 1.36 % of shrub areas exist in the THLB compared to 1.39 % in 2006, with a variance less than 0.5%. The target appears to be met, however, discrepancies in reporting occurred due to updated inventory information. Those issues are summarized in the following measure 1-2.1f (hardwoods). Please refer to measure 1-2.1f for more details. Since the current data is suspected to be incorrect and further THLB analysis is underway, the measure is currently pending.

Table 10: Shrub areas across the CFLB

	CFLB		THLB		NHLB	
	Ha	%	Ha	%	ha	%
TSA total	5,568,036	100	2,318,456	41.6	3,249,580	58.4
Stands less than 20 years - 2006 baseline	92,675.9	100	32,143.0 (1.39% of THLB)	34.7	60,532.0	65.3
Stands less than 20 years – 2007 reporting period	92,675.7	100	31,449.3 (1.36% of THLB)	33.9	61,226.4	66.1

Target Met		
Yes /	No	Pending

Recommendations and Next Steps

Since the current 2004 baseline is not reflective of the actual shrub component within the THLB, the current target should be adjusted to the appropriate baseline. The need to establish a reliable baseline that will remain consistent over time is crucial in order to identify meaningful changes over time. The target to this measure will be reviewed with the PRISM.

1-2.1 f) - Hardwood Areas

Measure 1-2.1 f Hardwood areas across the Crown Forest Land Base (CFLB)	
Target	Results
Sustain 43% (5%) of the stands as pure or hardwood leading in the THLB while tracking the trend in the NHLB (using updated inventory information)	As shown in Table 11, 34.5% of total hardwoods are accounted for in the THLB. The value does not meet the current identified target, even with a 5% variance (39.5%). Inventory data was updated since the development of the first version of the SFM Plan, which provided the baseline data for setting targets. The original data source came from the Fort Nelson TSR3 data package. Since inventory updates occurred in 2006, THLB analysis was conducted in house by GIS analysts. The newer baseline reported in the 2006 Annual Report (in-house) showed a significant increase in the THLB (almost double). It did not occur until the 2007 reporting period that the reporting for the THLB/NHLB in the 2006 report seemed unrealistic and this resulted in a request for new analysis during the 2007 reporting period. The GIS analysts informed of the difficulties to follow the same TSR3 analysis process, as very detailed steps as to the order of net-downs are required. Those steps can hardly be matched with the “in-house analysis” capabilities and a variance should be expected. Since the GIS analysts were still in the process of finalizing the newest THLB analysis, a baseline was not available at time of reporting and the measure will be reported as ‘pending’. Temporarily, the inventory information from the 2006 report is being used. The THLB increased in size which reduced the hardwood area in the THLB. As a result, a comparison between the prior result and the current result is not meaningful.

Table 11: Hardwood areas across the CFLB

2007 reporting year	CFLB		THLB		NHLB	
	Ha	%	Ha	%	ha	%
TSA total	5,568,036	100	2,318,456	100	3,249,580	100
Pure Hardwoods ¹	1,075,170	19.3	607,107	26.2	468,063	14.4
Hardwood-leading mixed ²	438,597	7.9	192,909	8.3	245,689	7.6
Hardwoods total	1,513,767	27.2	800,016	34.5	713,752	22.0
Pure Conifers ³	3,514,154	63.1	1,265,235	54.6	2,248,919	69.2
Conifer Leading mixed ⁴	510,457	9.2	136,649	10.2	273,808	8.4
Conifer total baseline	4,024,611	72.3	695,032	64.8	3,329,583	77.6
Other	29,657	0.5	16,556	0.7	13,101	0.6

¹ Pure hardwood stands containing deciduous volume greater or equal to 80%

³ Pure conifer stands containing conifer volume greater or equal to 80%

³ Conifer leading stands exceeding or equal to 50% conifer volume

² Hardwood leading stands exceeding or equal to 50% deciduous volume

References

- SFM crystal report measure 1-2.1f

Target Met		
Yes	No	Pending ✓

Recommendations and Next Steps
Since the current 2004 baseline is not reflective of the actual hardwood component within the THLB, the target of 43% should be adjusted to the appropriate baseline. The need to establish a reliable baseline that will remain consistent over time is crucial in order to identify meaningful changes over time. The target to this measure will be reviewed with the PRISM.

1-3.1 Vertebrate Species Populations

Measure 1-3.1 Recommended vertebrate species populations remain productive relative to baseline	
Target	Results
Baseline Population Productivity not to be negatively impacted by forest management activities.	Baseline data has not yet been established; anticipated to occur in March 2009.

Target Met		
Yes	No	Pending ✓

Reference
<ul style="list-style-type: none"> "Selection of Potential Indicator Species of Vertebrates to monitor the effects of practices on Forest Habitat in the Fort Nelson Timber Supply Area" by Isabell Houde, Dec. 2004. Currently in progress: "Songbird Monitoring in the Fort Nelson Forest District Year 3: 2008" by Manning, Cooper and Associates Ltd.

Recommendations and Next Steps
Selected indicator species for the Fort Nelson DFA are currently songbirds and woodpeckers based on the report from Isabell Houde, Dec. 2004. The monitoring of those species is underway for the third season and a scientifically sound baseline will be available after March 2009 (2008 Annual Report).

1-3.2 - Management Strategies

Measure 1-3.2 Percentage of Schedule One Species at Risk management strategies that are followed	
Target	Results
100% (0)	No species at risk were identified for harvested blocks within the reporting period.

Target Met		
Yes ✓	No	Pending

Reference

- Species at Risk Standard Operating Procedures, Dec. 5th, 2007
- Management Guidelines for Species and Plant Communities at Risk in the Fort Nelson Forest District, Gilbert Proulx, Nov. 30, 2005
- A Field Guide to Species and Plant Communities in the Fort Nelson Forest District, G. Proulx, 2006

1-4.1 - Protected Areas

Measure 1-4.1

Amount of forest management activities (harvesting or road construction) within government designated protected areas

Target	Results
Zero hectares of forestry related harvesting or road construction within Class A parks, ecological reserves or LRMP designated protected areas	The total TSA area (based on TSR III) is 9,868,067 ha; the total percentage of land base of government designated protected areas in the TSA is unchanged from the last reporting period in 2006, remaining at 9.7%. Zero hectares of forestry related harvesting or road construction within Class A parks, ecological reserves or LRMP designated protected areas occurred during the reporting year.

Target Met

Yes ✓	No	Pending
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Reference

- <http://www.env.gov.bc.ca/bcparks/>
- <http://www.northernrockies.org/>
- http://www.env.gov.bc.ca/bcparks/eco_reserve/html
- Sites of Biological Significance Standard Operating Procedure _ Dec. 11, 2007

Table 12: Parks and protected areas in the Fort Nelson DFA

Parks and Protected Areas	Total Area (ha)	Area within DFA (ha)
<i>Andy Bailey Regional Park</i>	196	196
<i>Dall River Old Growth Provincial Park</i>	644	644
<i>Denetiah Provincial Park</i>	97,908	13,324
<i>Dune Za Keyih Provincial Park and Protected Area</i>	347,789	63
<i>Fort Nelson River Ecological Reserve</i>	121	121
<i>Goguka Creek Protected Area</i>	435	435
<i>Grayling River Hotsprings Ecological Reserve</i>	1,421	1,421
<i>Hay River Protected Area</i>	2,324	2,324
<i>Hornline Creek Provincial Park</i>	298	298
<i>Jackpine Remnant Provincial Park</i>	148	148
<i>Kledo Creek Provincial Park</i>	6	6
<i>Klua Lakes Protected Area</i>	28,040	28,040
<i>Kotcho Lake Ecological Reserve</i>	64	31
<i>Kotcho Lake Village Provincial Park</i>	34	34
<i>Kwadacha Wilderness Provincial Park</i>	114,444	38
<i>Liard River Corridor Provincial Park and Protected Area</i>	88,989	81,202
<i>Liard River Hotsprings Provincial Park</i>	1,082	1,082
<i>Maxhamish Lake Provincial Park and Protected Area</i>	27,516	27,516
<i>Muncho Lake Provincial Park</i>	86,079	86,079
<i>Northern Rocky Mountains Provincial Park</i>	665,709	665,709
<i>Parker Lake Ecological Reserve</i>	259	259

Parks and Protected Areas	Total Area (ha)	Area within DFA (ha)
<i>Portage Brule Rapids Ecological Reserve</i>	724	724
<i>Portage Brule Rapids Protected Area</i>	428	428
<i>Prophet River Hot Springs Provincial Park</i>	185	185
<i>Prophet River Wayside</i>	113	113
<i>Redfern – Keily Provincial Park</i>	80,771	65
<i>Scatter River Old Growth Provincial Park</i>	1,178	1,178
<i>Smith River Falls- Fort Halkett Provincial Park</i>	254	244
<i>Smith River Ecological Reserve</i>	1,326	1,289
<i>Stone Mountain Provincial Park</i>	25,690	25,690
<i>Tetsa River Regional Park</i>	115	115
<i>Thinahtea North Protected Area</i>	3,674	3,674
<i>Thinahtea South Protected Area</i>	16,705	16,709
<i>Toad River Hotsprings</i>	423	423
TOTAL:	1,595,092	959,807

Target Met		
Yes ✓	No	Pending

1-4.2 - Special Sites - Biological Significance

Measure 1-4.2 The percentage of identified and documented sites of special biological significance that are managed for	
Target	Results
100% (0)	Two stick nests were reported in block TSO002 and TSO239. No other sites of biological significance have been reported in the 2007 reporting period.

Target Met		
Yes ✓	No	Pending

Comments
Site of biological significance are defined as rare, uncommon and red/blue listed ecological communities (reported out on in measure 1-1.1) , raptor stick nests (Northern Goshawk and Bald Eagle), Significant Mineral licks and wallows, Grizzly Bear Denning Sites, Maternity roost or hibernaculum (dens used for hibernation) of the Northern Long-eared Myotis, protected areas and reserves. Staff was trained on the sites of biological significance SOP in Dec. 2007. Canfor contractors are required to adhere to operational controls (Standard Operating Procedures, contract standards), which include the requirement to provide information on stick nests and mineral licks to Canfor.

Reference
<ul style="list-style-type: none"> Sites of Biological Significance and Protected Areas Standard Operating Procedure (Dec. 15, 2007).

1-4.3 - Management Activities Consistent - Muskwa-Kechika

Measure 1-4.3 The percentage of forest management activities consistent with legal objectives for Muskwa – Kechika management area	
Target	Results
100% (0)	Canfor met the target as no harvesting activities occurred in or adjacent the Muskwa-Kechika management area. Consequently, forest management activities are consistent with legal objectives for Muskwa-Kechika management area.

Target Met		
Yes ✓	No	Pending

Comments
No harvesting occurred by Canfor in the Muskwa-Kechika management area to date and within the reporting period, as shown on the overlay map Figure 12: Parks and protected areas in the Fort Nelson DFA (measure 9-1.1 and 9-1.2). Canfor's Forest Stewardship Plan (FSP) has not proposed any Forest Development Units (FDUs) in the Muskwa-Kechika management area. The FDU/FSP content map shows that the Muskwa-Kechika management area is entirely outside of proposed FDUs.

1-4.4 - Management Activities Consistent - Legal Objectives

Measure 1-4.4 The percentage of forest management activities consistent with legal objectives and general wildlife measures of approved Wildlife Habitat Areas (WHA) and Ungulate Winter Range (UWR)	
Target	Results
100% (0)	There are currently no approved UWR or WHA areas in the Fort Nelson TSA. Canfor's FSP includes results for management of wildlife habitat for winter survival of Boreal Caribou and Rocky Mountain Elk. Canfor's operations were consistent with the results proposed in the FSP.

Target Met		
Yes ✓	No	Pending

1-5.1 - Stream Crossings - Surveyed WQCR

Measure 1-5.1 The percentage of Canfor/BCTS constructed surveyed stream crossings identified with a high WQCR rating on forestry roads within the DFA for which participants are responsible (WQCR – Water Quality Concern Rating)	
Target	Results
10% or less of forestry related stream crossings with a high WQCR	For areas surveyed in the 2007 reporting period 90.3 % of all assessed sites were reported as having a low WQCR and 9.7 % were assessed as having a moderate WQCR. No crossings with high, very high or extreme were identified. The target has therefore been met.

Table 13: Summary of the water quality risk ratings for sites sampled in 2007

Road Type	Water Quality Risk Rating expressed as a percentage of all sites sampled in a given road type category			
	Low	Moderate	High	Very High
Dry weather road	90.3%	9.7%	0%	0%

Target Met		
Yes ✓	No	Pending

Reference
<ul style="list-style-type: none"> Stream Crossing Quality Index Field Manual Oct. 2006, P. Beaudry and Associates Ltd. 2007 Water Quality Effectiveness Evaluations Kiwigana Mainline, Nov. 28th, 2007 – Northern Compliance Plus Consulting Results of the Stream Crossing Quality Index (SCQI) Surveys for the Fort Nelson DFA 2006 Field Season; prepared by P. Beaudry and Associates Ltd. Jan. 2007

1-5.2 - Stream Crossings – Installed/Removed

Measure 1-5.2 The percentage of Canfor constructed stream crossings installed/removed to design/standards	
Target	Results
100% conformance (0)	100% compliant with legal requirements. All crossings were aerial inspected in snow free conditions. Table 14 and 15 summarizes Canfor’s stream crossings established during the reporting period. Some debris was left in Block CAT2592 and the debris was removed in July 2008. Post harvest conditions in the block meets currently accepted standards.

Table 14: stream crossings within Canfor’s cutblocks

Block	# Log/snowfills	Temp bridges	# Inspected	# Problems Found	# Problems corrected?
NDD121	5	0	5	0	n/a
CAT5332	30	0	30	0	n/a
NDD122	3	0	3	0	n/a
NDD127	0	0	0	0	n/a
NDD142	0	0	0	0	n/a
NDD2513	0	0	0	0	n/a
TSO239	6	0	6	0	n/a
CAT2594	11	0	11	0	n/a
TSO002	0	0	0	0	n/a
OBL026	4	0	4	0	n/a
TSO003	1	0	1	0	n/a
CAT2592	2	0	2	1	Logs removed from NCD July 25 th /08
IRN2081	3	0	3	0	n/a
NDD120	4	0	4	0	n/a
KLD1754	1	0	1	0	n/a
KLU011	1	0	1	0	n/a
IRN2085	3	0	3	0	n/a
KLU2321	1	0	1	0	n/a
KLD1756	6	0	6	0	n/a
Total #	81		81	1	1

Table 15: Stream crossing along roads

Road	# Temp Bridges/Snow/Logfills	# Inspected	# Problems Found
1756 Road/Kledo	18 + 2 Temp bridge	19	1 Temp Bridge left in for 2008-09 logging season
122 Road	1	1	0
P121 Road	2	2	0
2592 Road	4	4	0
2509 Road	2	2	0
2386 Road	2	2	0
2594 Road	1	1	0
2081 Road	3	3	0
2082 Road	9 +1 Temp bridge	10	
2085 Road	5	5	0
127 Road	1	1	0
5837 Road	1	1	0
Eastpie	4	4	0
Torpid Mainline	5	5	0
Luyben Mainline	7	7	0
Total #	68	68	0

Target Met		
Yes ✓	No	Pending

1-5.3 - Stream Crossings – Inspections/Mitigation measures

Measure 1-5.3 The percentage of Canfor constructed stream crossing inspections and resulting mitigation measures completed according to schedule	
Target	Results
100% (-10%)	149 stream crossings were inspected as shown in Table 14 and 15 for measure 1-5.2. All crossings were inspected under snow free conditions, and one issue on block CAT2592 has been resolved in July 2008. Mitigation measures were conducted along crossings and roads with banks cut below the surface or exposed mineral soil. Seeding has been completed immediately following harvesting in the spring of 2008 with a seed mixture appropriate for the ecological zone. Overall, a total of 28 hectares of road section has been seeded accounting for 840 kilograms of seeds used (30kgs/ha).

Target Met		
Yes ✓	No	Pending

1-6.1 - Conifer Seeds

Measure 1-6.1 The percentage of seeds for coniferous species collected and seedlings planted in accordance with the Tree Seed and Cone Regulations or Chief Forester’s Standards for Seed Use	
Target	Results
100% compliance with regulation	Canfor’s planting program totaled 2,820,605 trees with 2,385,890 trees allocated to 46 blocks on FL A17007 and 22 blocks on PA 14. One block (CP 65 Block 596B) did not comply with the Chief Foresters Standards for Seed Use. The seedlot used in the block has a longitudinal limit from 120° 55’ 00” to 127° 55’ 00” and the block longitude was 120° 32’ 01”. 7,830 trees were planted which represents 0.28% of the total trees planted on the

	licenses. The Chief Foresters Standards for Seed Use allows up to 5% of the seedlings planted in a year to be outside the seed transfer guidelines. The deviation of 0.28% fits within the tolerance and therefore, the target was met. Canfor has not collected cones since 2004 therefore the cone collection standards are not applicable for this reporting period.
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Target Met		
Yes ✓	No	Pending

Recommendations/next steps
The Chief Foresters Standards for Seed Use, enabled under FRPA allows for up to 5% of the seedlings planted in a year to be outside the seed transfer guidelines. The 5% variance, which is policy established in law is not reflected in the target of the SFM Plan. A recommendation to the PAG will be to revise the target to state compliance with Chief Foresters Standards for Seed Use.

1-6.2 - Aspen Regeneration - Natural Regeneration

Measure 1-6.2 The percentage of natural regeneration of aspen	
Target	Results
100% (0)	No calculations were completed for this measure as Canfor uses natural regeneration as the only method for regenerating aspen. As a result the target is achieved. Planting aspen has not been adopted by either group as an operational method of regenerating aspen.

Target Met		
Yes ✓	No	Pending

2-1.1 - Site Index

Measure 2-1.1 Site Index by inventory type group for harvested areas	
Target	Results
Average post-harvest site index (at free growing) will not be less than average pre-harvest site index on harvested blocks.	Harvesting has the potential to cause continual degradation of site quality over time. The Site Index (SI) is commonly used as an indicator of site productivity. The higher the Site Index for a given species in a given region, the higher the productivity or the quality of the site. Approximate age of reported blocks remain 5 to 20 years old. Canfor has the same types of issues with site index estimations as during the previous reporting years. The main issue still involves the different sources of SI and different methods used to identify SI. Pre-harvest SI's were taken from old forest cover maps that were initially classified by site class (P,L,M, and G) and then changed to a site index that corresponded to the site class (site conversion method). For example a medium site class could have a site index from 15 – 22 depending on variables. The majority of our surveys now use the site conversion table which assigns a standard site index for an area based on leading species and site series. This difference usually accounts for the small differences in pre and post harvest SI numbers. There are a few blocks that have a significantly higher pre-harvest SI. Based on file reviews of the blocks it appears that the pre-harvest SI may have been overestimated. The remaining openings have site index estimates that are close to the site index range for the site index conversion method.

Table 16: Canfor pre and post harvest SI

CP/TSL	Block	Pre-harvest Site Index	Free Growing Site Index
141	1173	16	20
521	225A	15	15
421	5815	24	20
316	686	20	20
538	556	13	15
596	220	24	20
53	124	14	15
316	685	15	20
589	3098	22	20
310	371	14	15
420	4666	22	20
133	1187	16	20
71	617	14	15
604	574	26	15
93	9	10	15
558	649A	11	15
150	4900D	0	20
78	622	16	15
589	250	19	20
62	600C	15	15
521	225B	17	15
163	2048	23	20
158	2038	10	20
420	4636	19	20
39	620	15	15
531	219	9	15
526	506A	16	15
421	5816	24	20
596	220	24	18
150	4900E	21	20
93	7	15	15
58	297B	11	15
58	297A	0	15
A54023	P291	24	20
A54026	P333	23	20
A54027	P303	21	20
A54029	P366	26	20
A54029	P371	20	20
A54029	P365	21	20
A54030	P85B	20	20
A54030	P79	22	20
A55609	P255	23	20
A56315	P298	18	20
A56315	P262	15	20
A56827	P274	22	20
A56831	P146	18	20
A56831	P173	22	20
A56831	P167	20	20
A56834	P202	9	20
A56834	P205	10	20
A56834	P200	21	20
A56835	P100	21	20
A56840	P4912	24	20
A61535	P812	22	20
A62080	P6061	8	20
A62084	P178	22	20
A62084	P180	23	20
A62084	P157	16	20

Target Met		
Yes ✓	No	Pending

2-2.1 - Forest Converted to Non-Forest Land use

Measure 2-2.1 Forest Converted to Non-Forest Land Use	
Target	Results
1% (+1%)	Table 17 shows the sum of areas converted to non forest land due to permanent access within cutblocks and for mainlines and access roads leading up to the cutblocks harvested within the reporting period. Overall, out of 1,775.3 hectares that were harvested within the reporting period 35.1 hectares (or 2%) of the area was converted to permanent access. The area converted to non forest land use to access those cutblocks is 4.2 ha. The current THLB is 2,318,456 ha. The sum of permanent access within cutblocks and roads leading up to the cutblocks results in a conversion of 0.0017 % of forest land into non forest land within the THLB. Canfor met the target as the area converted to non forest use is well less than 1%.

Table 17: Summary Permanent Access on Canfor cutblocks and roads leading up to the cutblocks

CP/FLTC	Total SUM of Gross Cutblock area [ha]	Total Areas of blocks under permanent access	% of block area converted to non forest use
	1775.3	35.1	2.0%
CP/FLTC	Total length of mainlines and Access roads leading to Cutblocks [ha]	Total Area Mainlines and access roads Leading to cutblocks [ha]	Total area converted to non forest use within the THLB [%]
	6967 m	4.2	0.0017%

Target Met		
Yes ✓	No	Pending

2-2.2 - Long Term Detrimental Soil Disturbance

Measure 2-2.2 The percentage of long term detrimental soil disturbance as a result of forest management activities	
Target	Results
0% (+2%)	Long term detrimental soil disturbance as a result of forest management practices has not been detected and reported during the reporting period. The target of 0% was met. Canfor's FMS Incident Tracking System (ITS) is used to track all incidents related to the environmental aspect of soil productivity. No incidents were reported. Long term soil disturbance is defined for blocks with compaction or water table issues lasting approximately 10 years post harvest or post-silviculture activities. As the majority of our harvest activities occur on frozen and flat ground, detrimental soil disturbance is rarely an issue.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The target has been refined and revisions endorsed by the PAG at the Dec. 6 th , 2007 PRISM meeting. The target reads as follows: "0% (+2%) annually".

2-2.3 - Landslides

Measure 2-2.3 Number of hectares of landslides resulting from forestry practices	
Target	Results
< 10 cumulative ha in the THLB for slides >0.5 ha in size (0.5 ha)	Zero landslides resulting from forestry practices occurred during the reporting period. Two small "non forestry related landslides" (0.2 ha each) were reported in the FMS incident reporting system (ITS) on CPP499 Block 902N. The target has been met.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
<p>The target has been refined and the revision endorsed by the PAG at the Dec. 6th, 2007 PRISM meeting. The target reads as follows: "< 10 cumulative ha in the THLB for slides > 0.5 ha in size (0.5 ha) annually".</p> <p>A new measure was added at the Dec. 6th, 2007 meeting, which will be measure 2-2.4: "Number of information requests from oil and gas companies and agencies responded to". The target: "100% (10% variance)". This new measure will be reported out in the 2008 Annual Report.</p>

2-3.1 - Regeneration Delay

Measure 2-3.1 Regeneration Delay Period	
Target	Results
100% of area planted within 2 years (2); naturally regenerated: 4 years (1 year/FSP and 0 year/FDP)	During the 2007 reporting period, the average regeneration delay for conifer blocks was 2.1 years, slightly above the target, but within the indicated variance. The average regeneration delay for deciduous openings was 3.9 years, thus meeting the target of 4 years.

Target Met		
Yes ✓	No	Pending

2-3.2 - Regeneration Standards

Measure 2-3.2 The percent compliance with regeneration standards set in FDP/FSP	
Target	Results
100% (0)	This measure was not met as compliance was measured at 91%. Amendments for three non-compliant blocks have been submitted to the MOFR and are awaiting approval. Amendments for the remaining blocks have been prepared and follow up surveys are scheduled for the next season to determine status and of actions are required.

Target Met		
Yes	No ✓	Pending

Recommendations/Next steps

Due to the delays in the submission/approval process a variance of 10% is proposed to address administrative limitations. [70% staff reduction as of August 2008 contributed to delays of survey submissions and any required amendments].

2-3.3 - Free Growing

Measure 2-3.3

The percent of area in compliance with free growing measures

Target	Results
100% (0)	For the 2006-2007 reporting period Canfor did not comply. 82% of area met free growing standards. The results reported include areas with submitted amendments requesting an extension to the late free growing date. The area meeting the target is further reduced to 69 % for areas that were declared Free Growing and where submitted amendments to extend the late free growing date have not been approved. The target has therefore not been met.

Target Met

Yes	No ✓	Pending
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Recommendations/Next steps

Due to the delays in the submission/approval process a variance of 10% is proposed to address administrative limitations. [70% staff reduction as of August 2008 contributed to delays of survey submissions and any required amendments].

2-4.1 - Treatment Plans for Natural Disturbance Events

Measure 2-4.1

The percent of significant detected natural disturbance damaging events in the THLB which have treatment plans prepared and implemented

Target	Results
100% (0) within the first year of detection (0)	<p>The MOFR has assessed natural disturbance in the DFA through annual aerial surveys in summer of 2007. Of the identified 57 disturbances, only three were found to be significant (> 500 ha) and those are shown in Table 18. Of those three significant natural disturbance areas, treatment plans have only been assigned for the Spruce budworm infestation in the Tenaka operating area, due to the fact that the infestation has nearly doubled in size since 2005. The assessed area in 2007 (872.73 ha) was partially overlapping the 2005 area (572.46 ha) but extended overall to approx. 1,200 ha. At the same time the severity for the disturbance decreased from moderate in 2005 to low in 2007.</p> <p>Another significant disturbance was caused by a wildfire. Due to the very isolated location, extreme long distances and poor access no attempt will be made to salvage timber from the area. The serpentine leaf miner, which is a defoliator of Aspen trees, left a significant impact in the Milo operating area. However, since the disturbance is located along a river corridor with poor access and a low severity, no treatment is warranted. In order to not loose sight of other areas with treatment plans developed from previous years forest health assessments, ongoing areas with treatment plans are tracked in Canfor's access database. A summary of the existing (pre 2007) areas with treatment plans is shown in Table 19, showing that 12 significant areas of Western Balsam Bark Beetle and 5 significant areas of Large Aspen Tortrix were identified and are being monitored.</p>

Table 18: Significant natural disturbances listed by forest health factor

Forest Health Factor	Operating Area	Severity	Number of Incidences	Total Affected Area (ha)	Treatment Plans Developed (ha)
ID6	Milo	Low	1	572.46	No
IDE	Tenaka	low	1	872.73	Yes (872.73)
NB	Turnagain	Severe	1	9,444.78	No

Significant natural disturbances listed by Forest Health Factor IDE = Spruce Budworm; ID6 = Serpentine Leaf Miner; NB = Burn) detailing the number of significant incidences (i.e. incidences >500 ha), the total area affected within the DFA and the total area on which treatment plans have been developed for the 2007 forest health information.

Table 19: Significant natural disturbance events as declared in the 2007 MoFR annual aerial overview survey

Areas with Treatment plans from previous years forest health assessments (not incl. 2007 data)				
Disturbance_ID	# of incidents > 500 ha	Severity	Area Affected (ha)	Location
Western Balsam Bark Beetle	12	From traces to low	21,347	All areas have treatment plans
Large Aspen Tortrix	5	From low to moderate	10,156	All areas have treatment plans

Severity Rating Codes: T = Trace, L = Low, M = Moderate, S = Severe, V = Very Severe; Damaging Agent Codes: IBB = Western Balsam Bark Beetle, IBS = Spruce Beetle, IDE = Western Spruce Budworm, IDX = Large Aspen Tortrix, NR = Redbelt, NB = Burn

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • "Identification and Management of Natural Disturbance in the Fort Nelson TSA SOP" • Natural disturbance tracking access database • http://www.for.gov.bc.ca/hfp/health/overview/2007.htm

2-4.2 - Catastrophic Natural Disturbance Events

Measure 2-4.2	
The percent of catastrophic natural disturbance events (>1500ha) as a result of forest management practices	
Target	Results
0% (0)	Forest activities have not triggered any catastrophic events during the reporting period. Canfor's Incident Tracking System (ITS) did not show records of catastrophic events, such as landslides, windthrow or long-term detrimental soil disturbances, fires etc. The main causes of natural disturbances were caused by fire and insects, and are reported out in measure 2-4.1. The target of 0% has been met.

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • Natural Disturbance Reporting Form • Incident Tracking System (ITS)

3-1.1 - Carbon Stored in Trees

Measure 3-1.1 The level of total ecosystem carbon stored in trees and non-tree vegetation (above ground biomass and roots) present in the THLB and NHLB current allowable cut	
Target	Results
Maintain or increase the CFS-CBM derived baseline of 1,75mega tons total ecosystem carbon on the productive CFLB (+/- 10%)	The CBM-CFS3 is a landscape-level forest carbon accounting framework and simulates carbon dynamics above and below ground. The results of this model showed that under the base case, total carbon storage fluctuates between 1,752 MT and 2,005 MT over a 250 year forecast. Table 20 shows the results of carbon storage by THLB and NHLB based on the CBM. Remodeling will occur with the next TSR (every five years).

Table 20 : CBM model carbon storage

Carbon storage	Current Carbon Total Mega tones (MT)
Timber Harvesting Land Base	496
Non-harvestable Land Base	1256
Total Timber Land Base	1,752

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Fort Nelson DFA Carbon Phase 1 Report, March 31, 2006 by Forest Ecosystem Solutions Ltd. Fort Nelson DFA Carbon Phase 2 Report, May 19, 2006 by Forest Ecosystem Solutions Ltd.

3-2.1 - Carbon Pool - Forest Products

Measure 3-2.1 Plan to plan based on report and process being developed by Canadian Forest Service	
Target	Results
TBD July 2008 (on or before depending on when CBM is available from CFS)	Measure is pending and waiting on the process to be developed by the Canadian Forest Service.

Target Met		
Yes	No	Pending ✓

Recommendations/Next steps
This measure has been removed/dropped at Feb. 7 th , 2008 PRISM meeting due to insufficient baseline data and inability of licensee to follow up on the product once it leaves the mill, thus no information on shelf live of products and the use of product could be obtained. This measure will not be reported out in the 2008 annual report.

3-3.1 - Carbon Sequestration

Measure 3-3.1 Average sequestration rate in the THLB and NHLB at current annual allowable cut	
Target	Results
Maintain or increase the CFS-CBM derived baseline sequestration rate of 0.93 MT carbon per year in the THLB and 0.55 MT carbon per year in the NHLB (+/- 10%)	The CBM-CFS3 is a landscape-level forest carbon accounting framework and simulates carbon dynamics above and below ground. The results of this model showed that under the base case, carbon sequestration rates fluctuates between -3.96 to 5.00 MT over a 250 year forecast. Table 20 : CBM model, shows the results of the current carbon sequestration rate by THLB and NHLB based on the CBM. Remodeling will occur with the next TSR (every five years).

Table 21: CBM model carbon sequestration

Carbon Sequestration	Current Sequestration Rate in Total Mega tones (MT)
Timber Harvesting Land Base	0.93
Non-harvestable Land Base	0.55
Total Timber Land Base	1.47

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Fort Nelson DFA Carbon Phase 1 Report, March 31, 2006 by Forest Ecosystem Solutions Ltd. Fort Nelson DFA Carbon Phase 2 Report, May 19, 2006 by Forest Ecosystem Solutions Ltd.

4-1.1 - Timber Harvested

Measure 4-1.1 Total value of actual timber harvest (amount of harvest related to purchase price of logs based on Market Pricing System (MPS))	
Target	Results
Report out number	Based on the fact that the MPS is not in place yet, Canfor is not able to report on the value of product derived from the harvest. At this point, only the volume harvested can be reported as shown in Table 22. Purchase Wood is not included in the table and is reported under measure 4-2.5.

Table 22: Canfor's Harvest volume (Quota)

Month	Conifer Volume harvested (m3)	Deciduous Vol. harvested (m3)	Total Volume harvested (m3)
Apr-07 to Dec. 07	0	0	0
Jan-08	93,346	72,514	165,860
Feb-08	443	2,093	2536
Mar-08	86,664	0	86,664
Apr-08	17,158	0	17,158
TOTAL	197,611	74,607	272,218

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

Measure 4-1.1 has been removed and replaced with the following measure due to unavailability of data: "Harvest volume as percentage of long-term timber supply (AAC)"; New target: "100% of AAC apportionment harvested annually, annual variance allowed based on current cut control provisions (report annually); data will be retrieved from the harvest billing system (MOFR) and apportionment records (MOFR). Changes to the measure has been accepted by the PRISM at the June 21st, 2007 PAG meeting and will be reported out on in the 2008 Annual Report.

4-1.2 - Timber Supply Certainty

**Measure 4-1.2
Timber Supply Certainty - Annual Allowable Cut (AAC)**

Target	Results
Report out number developed by Ministry of Forest and Range (MOFR)	The TSR3 data package for the Fort Nelson TSA was completed and approved by the MoFR in summer/fall 2004 and a determination has been made by the Chief Forester in November 2006. Effective November 10, 2006, the new Allowable Annual cut (AAC) for the Fort Nelson Timber Supply Area (TSA) is 1,625,000 cubic meters, an increase of approximately eight percent. This increase accounts for an adjustment to reflect new interior log grade changes, implemented on April 1, 2006. The Chief Forester rationalized that the AAC increase is a modest increase and may encourage growth of existing and new small forestry operations. The additional AAC has not been apportioned to date. The apportionment of the previous AAC (1.5 Million cubic meters) changed on March 31, 2005 with the enactment of the Take-back in the provincial Revitalization Plan (i.e. 20% of the provincial AAC from replaceable forest licences have been re-apportioned to BCTS, First Nations, woodlots and community forest licences) and is shown in Table 23: Fort Nelson TSA AAC and apportionment effective March 31, 2005.

Table 23: Fort Nelson TSA AAC and apportionment effective March 31, 2005

Form of Agreement	Conventional		Deciduous-leading		Total	
	m ³	%	m ³	%	m ³	%
Forest Licence – Replaceable	442,973	73.83	110,743	12.30	553,716	36.91
Pulpwood Agreement - Timber Sales			610,000	67.78	610,000	40.67
BCTS - Timber Sale Licence/	136,227	22.70	163,441	18.16	299,668	19.98
Woodlot Licence	1,600	0.27	400	0.04	2,000	0.13
Forest Service Reserve			10,616	1.18	10,616	0.71
Small Tenures (woodlot and community)	19,200	3.20	4,800	0.53	24,000	1.60
Total:	600,000	100	900,000	100	1,500,000	100

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The target for measure 4-1.1 has been revised to: "No change or increasing (report every five years)"; the changes to the target have been accepted by the PRISM at the June 21st, 2007 PAG meeting. The data will be retrieved from the AAC rational of the Chief Forester.

4-1.3 - Regeneration to Target Species

Measure 4-1.3 Total percentage of harvested area regenerated to target species composition	
Target	Results
100% (10%)	Out of a total area of 3,963.3 ha, 3740.0 ha were identified as being restocked to target species and 223.3 ha were identified as not being satisfactorily restocked. In other words, 94.4% of all Canfor blocks with surveys completed between April 1, 2007 and March 31, 2008 met the regeneration standards for density of the target species. A variance of 10% has been agreed to by the PAG for this measure to accommodate natural ingress from non target species and pests. Applying the 10% variance to Canfor's block population, the target for this measure has been met.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-1.3 has been removed with acceptance of PRISM during measure revision at June 21 st , 2007 PAG meeting; Measure will not be reported out on in 2008 SFM Annual Report. Reporting of this measure has been duplicated and is already addressed under the measures in indicator 2-3 "Total growing stock of merchantable and non-merchantable tree species on forest land available for timber production".

4-2.1 - Employment in Forestry Sub-sector

Measure 4-2.1 Employment in each forestry sub-sector locally – road building/harvesting; hauling; silviculture; planning; layout/cruising	
Target	Results
Report out	The information provided in Table 25 is based on the TSR 3 socio-economic analysis and are based on the 2001 Census information. The information provided in Error! Reference source not found. is based on Canfor's financial statements, and reflects Canfor's expenditures for hauling, harvesting, planning, layout, cruising, silviculture, roads and camps within the reporting year. There are no free or priced standard data products that provide employment income statistics by industry. The only way to obtain such data is by a custom tabulation of the census database; those costs are not acceptable at this time of indefinite mill closure conditions and based on the fact that the measure has been revised, only 2001 census information has been reported.

Table 24: Fort Nelson TSA average forest sector employment and employment coefficients, 2004 (TSR3)

Activity	Fort Nelson TSA employment (persons-years)	Provincial employment (person-years)
Harvesting, Hauling and Administration	94	237
Silviculture	15	165
Timber Processing	631	648
Total Direct	740	1,050
Indirect/Induced	298	1,233
Total	1,038	2,283

Note: The employment estimates are in person-years based on 2004 employment and the 2004 annual harvest of 1.441 million cubic meters.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

Measure 4-2.1 has been replaced with: "Direct employment in the forest industry"; the target: "Report out number (track trend)". The data will be obtained from a questionnaire (administered to Canfor) to obtain data on employment by activity and timber input volume into processing facilities. The PRISM accepted the change to the measure and target at the Oct. 25th, 2007 meeting. The new measure will be reported out on in the 2008 SFM Annual Report.

4-2.2 - Income from Forestry

Measure 4-2.2

Income from forestry

Target	Results
Report out	The information provided in Table 25 is based on the TSR 3 socio-economic analysis and are based on the 2001 Census information. The 2006 Stats Canada census information was released in May 2008. However, there are no free or priced standard data products that provide employment income statistics by industry. The only way to obtain such data is by a custom tabulation of the census database; those costs associated with the custom tabulation are not acceptable at this time of indefinite mill closure and based on the fact that the measure has been revised by the PRISM in Oct. 2007 and not reported out the same, only 2001 census data is shown.

Table 25: Average direct and indirect/induced incomes and total employment income, 2001 (TSR3)

Sub-Sector	Local average annual income (\$ millions) *	Local total annual income (\$ million) ¹	Provincial annual income (\$ millions)
Harvesting			
Silviculture			
Processing			
Direct	41.977	42.8	49.0
Indirect/Induced	32.117	38.4	43.9
Totals		81.2	92.9

*1: The local average and total income is based on Statistics Canada Census information - customized Data for the Northern Rockies District (NRD). Note that the figures in Table 25 are lower than the ones reported as baseline information in the SFM Plan, which are based on TSR 2 Socio-economic Analysis (\$46,030 for direct and \$34,075 for indirect/induced), and it may be in part of a small sample size (70 for direct and 45 for indirect/induced for the entire NRD). *2: The provincial income estimates include TSA employment and income.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

Measure 4-2.2 has been replaced with: "Indirect and induced employment associated with direct forest industry employment"; target: "Report out number (track trend)". The data will be obtained from BC Stats and MOFR. The PRISM accepted the change to the measure and target at the Oct. 25th, 2007 meeting. The new measure will be reported out on in the 2008 SFM Annual Report.

4-2.3 - Employment and Income Estimates

Measure 4-2.3

Indirect/Induced employment and income estimates

Target	Results
Report on finding using TSR multipliers	The information has been compiled in TSR 3 and is shown in Table 26. The source for average income is Stats. Canada. - 2001Census; Customized Data for the Northern Rockies District. The 2008 Stats Canada census information was released in May 2008. However, there are no free or priced standard data products that provide employment income

	statistics by industry. The only way to obtain such data is by a custom tabulation of the census database; those costs associated with the custom tabulation are not acceptable at this time of indefinite mill closure and based on the fact that the measure has been revised by the PRISM in Oct. 2007, therefore reporting on 2001 data is justifiable.
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Table 26: Fort Nelson TSA average indirect/induced forest sector employment and Income (TSR3)

	Employment (person-years)	Average annual income/worker
Indirect/Induced	298	\$32,117

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-2.3 has been replaced with: "Dollar value of BCTS timber sales and total timber volume advertised for sale by BCTS"; target: "Report out (track trend)". The data will be obtained from BCTS (Peace-Liard Business Area office). The PRISM accepted the change to the measure and target at the Oct. 25 th , 2007 meeting. The new measure will be reported out on in the 2008 SFM Annual Report.

4-2.4 - Dollars Spent

Measure 4-2.4 The percentage of dollars spent locally on each forestry sub-sector in proportion to total expenditures	
Target	Results
Road building/Harvesting: 75% (5%) Hauling: 70% (5%) Silviculture: 5% (5%). Planning/Layout/Cruising: 5% (5%).	Local is defined as businesses that have a mailing address or known established businesses located in the DFA. The target for hauling has not been met, as out of 85 quota trucks, 45 were registered locally, which accounts to only 53 %. All contractors that entered into Silviculture, Planning, Layout, Cruising contracts were not local, although each sector involved considerable spending on local helicopter companies, air services and boat services and other vendors. All of the six logging contractors were local, however camp services were not. The vast majority of roads contractors were local as well. Based on the contractor information alone, without the specific information on how many dollars were spent locally (information was unattainable at time of reporting) it is obvious that the measure as a whole has not been met, based on the fact that the sub-measure for hauling alone has not been achieved.

Target Met		
Yes	No ✓	Pending

Recommendations/Next steps
This measure has not been met for the third time since reporting started in 2005. This measure 4-2.4 has been removed at the June 21 st , 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

4-2.5 - Purchase Wood

Measure 4-2.5 Opportunity sustained by Canfor to purchase private wood	
Target	Results
Opportunity exists	Due to curtailment conditions since January 2008 only one opportunity to purchase wood has been taken.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-2.5 has been removed at the June 21 st , 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

4-3.1 - Fees Paid

Measure 4-3.1 Fee paid by industry to municipal governments	
Target	Results
100% of fees due will be paid annually (0%)	The total stumpage/timber rent (including waste) paid by Canfor during the period from June 1/07 to July 1/08 is \$446,938.82. Local and provincial taxes don't apply as Woodlands does not pay Federal or Provincial taxes because Canfor's net income is zero. The target has been met, as 100% of fees due were paid annually to municipal governments and paid on time.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-3.1 has been replaced with: "Stumpage paid by Fort Nelson TSA licensees"; target: "Stumpage is paid (report annually)". The data will be obtained from the harvest billing system (MOFR). The PRISM accepted the change to the measure and target at the August 17 th , 2007 meeting. The new measure will be reported out on in the 2008 SFM Annual Report.

4-3.2 - Personal Income Taxes Paid

Measure 4-3.2 Personal income taxes – forest industry relative to total	
Target	Results
Report out on Stats Canada summary of personal income taxes	This measure tracks the contribution by the industry to the governments of Canada and BC. The income tax paid for 2007 for Tackama and Polarboard salaried employees was not available at time of reporting.

Target Met		
Yes	No	Pending ✓

Recommendations/Next steps

Measure 4-3.2 has been removed during the measure revision at the Oct. 25th, 2007 meeting and will not be reported out on in the 2008 Annual Report.

4-4.1 - Opportunities for First Nations

Measure 4-4.1

Number of documented opportunities (by forestry sub-sector) for local First Nations to enter into contracts with Canfor and BCTS

Target	Results
Report out number of opportunities and/or volume available. Sub-sectors are road building and maintenance; harvesting, hauling, silviculture, planning, layout, cruising, purchase wood, other.	In the past year one opportunity was provided to First Nations to enter into contracts with Canfor. This resulted in a contract within the road building and maintenance sub-sector.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

Measure 4-4.1 has been replaced with the following measure and target: "Forestry –related contracts and total dollar value of these contracts, entered into by TSA Forest Licensees with either local First Nations or their companies or their members." Target: 'Report out (track trend)". The data will be obtained from the Fort Nelson TSA Forest Licensees and the number of contracts for open tenders, and the number of contracts bid on by First Nations will be recorded. The PRISM has accepted the changes of this measure at the Oct. 25th, 2008 PAG meeting. The new measure will be reported out on in the 2008 Annual Report. A new measure (4-4.2) was added and endorsed by the PAG at the Oct. 25th PRISM meeting. The new measure reads as follows: "Number of BCTS timber sales bids won by, Small Scale Salvage tenures awarded to and NRFLs (Non replaceable forest licences) won by or awarded to either local First Nations or their companies or their members."; The new target: "Report out number (track trend)".

4-5.1 – Delivered Logs Costs

Measure 4-5.1

Competitiveness of delivered log costs as established under Market Pricing System (MPS), compared to prices for adjacent TSA's

Target	Results
To be developed 2005 or when Market Pricing System is in place	Canfor is still awaiting the Government MPS system. The fact, that the MPS is not yet implemented has been considered during the 2007 measure revision and the measure has been revised accordingly as shown below. This measure is pending.

Target Met

Yes	No	Pending ✓
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Recommendations/Next steps

Measure 4-5.1 has been replaced with: "Perceptions of Canfor/BCTS and other local manufacturing facilities' senior managers about local events and factors influencing main drivers of competitiveness of Fort Nelson area forest industry". Target: "Rating of satisfactory or higher (report annually)". The data will be obtained from a questionnaire (administered to senior managers of Canfor and BCTS); Considerations for what defines local competitiveness, to include in questionnaire: wood supply, access, labour, market, transportation. The PRISM accepted the change to the measure and target at the Oct. 25th,

2007 meeting. The new measure will be reported out on in the 2008 SFM Annual Report.

4-5.2 - Competitive Primary Milling Facility

Measure 4-5.2 Competitive Primary Milling Facility is sustained	
Target	Results
Minimum of 1 (0)	The indefinite closures of the PolarBoard OSB and Tackama plywood mill was announced on Jan. 18th, 2008 due to a very poor wood product market, a high Canadian dollar and record low oriented strand board (OSB) prices. On February 26th, 2008 it was announced that Canfor's Fort Nelson Tackama mill will continue operations, largely because of the efforts of the United Steel Workers Union, employees, suppliers, the provincial government and contractors to identify means to reduce costs at Tackama and establish a business case to keep Tackama operating. Through the contributions of the union, employees, contractors, suppliers and policy changes announced by the provincial government a business case has been made to continue operations at Tackama. This business case is predicated upon Tackama realizing the intended cost savings and continued positive performance of plywood markets. Should these financial criteria not be met Tackama's continued operation will be reassessed. The PolarBoard mill has been closed in June 2008. The Tackama mill continues to operate and has the ability to consume 410,000 m3 of fiber of which 65% is Spruce and 35% Aspen. A minimum of 1 competitive primary milling facility is sustained, and the target has therefore been met.

Target Met		
Yes ✓	No	Pending

4-6.1 - Assessment of Damaging Events or Agents

Measure 4-6.1 Assessments of damaging events or agents (current status, risk potential)	
Target	Results
1 assessment per damaging event or agent (0)	The MOFR conducted aerial overview surveys for forest health in the DFA in summer of 2007. Using the assessments (i.e. forest health factor and severity – current status) from the 2007 survey, risk potential was assessed (see Table 18 and Table 19. under measure 2-4.1) It was determined that only one area disturbance doubled in size since the last forest health survey (2005) and even though the severity in 2007 was assessed low compared to the moderate severity in 2005 it has been determined that a treatment plan will be developed, which is to monitor the area. The remaining disturbances noted in the 2007 assessments remain at endemic levels. The access database tracking system is used, using the MOFR annual aerial survey, to identify and prioritize the development of natural disturbance treatment plans. The measure has therefore been met.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-6.1 has been removed at the Oct. 25 th , 2007 PRISM meeting with acceptance of the PAG due to repetitive reporting (measure 2.4.1) in earlier measures. This measure will not be reported out on in the 2008 Annual Report.

4-6.2 - Management Strategies for Damaging Events or Agents

Measure 4-6.2 Management strategies in place to reduce the impact of damaging events or agents (including plans, suppression, salvage)	
Target	Results
1 (0) strategy exists per damaging event or agent	Definition and development of management strategies for the various damaging agents were included as part of the following Standard Operating Procedure: "Identification and Management of Natural Disturbance in the Fort Nelson TSA (Nov. 2006)".

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
Measure 4-6.2 has been removed during measure revision at the Oct. 25 th , 2007 PRISM meeting with acceptance of the PAG due to repetitive reporting in earlier measures. This measure will not be reported out on in the 2008 Annual Report.

5-1.1 - Potential for Marketed Non-Timber Benefits

Measure 5-1.1 List of existing and documented potential for marketed non-timber benefits	
Target	Results
1 (0) list exists	Measure 5-1.1 has been identified as a knowledge gap and entered into Canfor's Incident Tracking System. The project is partially completed; a report was developed by Royal Roads University March, 2006: "NTFP indicator development for the Fort Nelson DFA – Phase 1A Prelim. Report; A Forest Investment Account project tender was submitted in July 2008 to continue with the project; The project is scheduled for completion by March 31, 2009.

Target Met		
Yes	No	Pending ✓

5-1.2 - Number of Jobs in NTF Sector

Measure 5-1.2 Number of jobs/non-timber forest resource sector	
Target	Results
1 report of baseline information exists (0)	This measure implies that a comprehensive list of the marketed Non-Timber Forest Products (NTFP) is available, and therefore this measure is pending until the list of NTFP is developed, as outlined in the previous measure 5-1.1.

Target Met		
Yes	No	Pending ✓

Recommendations/Next steps
Measure 5-1.2 has been replaced and changes accepted by the PAG at the Oct. 25 th , 2007 meeting and reads as follows: "Amount of marketed non-timber forest resources and/or amount of non-timber forest resource

market activity by industries: * hunting (hunter days and animals harvested); * trapping (traplines and furbearers harvested); * tourism (number of commercial recreation tenures) ;range (number of range tenures and total AUM's)"; the target: "Report out number (track trend)". The data will be obtained from the number of range tenures and AUMs – MOFR or Land and Resource Data Warehouse. Data for hunting will come from the MOE (Fish and Wildlife, Data and Licensing Section) or Land and Resource Data Warehouse. Trapping data will be obtained from the MOE (Fish and Wildlife, Data and Licensing Section) or Land and Resource Data Warehouse; Commercial recreation tenures – MAL (ILMB – Northern Region – Land information in Prince George) or Land and Resource Data Warehouse); The new measure will be reported out on in the 2008 Annual Report.

5-1.3 - Income from Jobs in NTF Sector

Measure 5-1.3 Income/non-timber forest resource sector	
Target	Results
1 report of baseline information exists (0)	This measure depends on the completion of the previous measure 5-1.2 and is meant to measure one aspect of the economic benefit derived from businesses that work with marketed Non-Timber Forest Products. Without an inventory of NTFP and related job-functions, this measure can not be reported out at this time. This measure is currently pending.

Target Met		
Yes	No	Pending ✓

Recommendations/Next steps
Measure 5-1.3 has been removed during measure revision at the Oct. 25 th , 2007 PRISM meeting with acceptance of the PAG. This measure will not be reported out on in the 2008 Annual Report.

6-1.1 - Employment by Sector - Local Economy

Measure 6-1.1 Employment supported by each sector of the local economy (actual and percentage of total employment)	
Target	Results
This measure is a simple annual report of the labour force in the Fort Nelson area. The information is determined by Census Canada	Table 27 reflects the labour force profile in the Fort Nelson TSA using the TSR 3 Socio Economic Analysis. The information is based on Stats Canada 2001 census. The 2006 Stats Canada information shown in Table 28 does not reflect the same sub-categories shown for previous census. The current curtailment conditions and difficult economic situation did not warrant purchasing custom tabulation of the census database and thus the 2001 census information was used.

Table 27: Labour force Fort Nelson 2001

	1996 employment	2001 Employment	Percentage of total employment for 2001	% Change in Employment
Forestry	1,132	768	21.9	-47.4
Mining	131	550	15.7	76.2
Fish & Trapping	8	11	0.3	27.3
Tourism	432	474	13.5	8.9
Agriculture & Food	20	39	1.1	48.7
Public Sector	449	641	18.3	30.0

	1996 Employment	2001 Employment	Percentage of total employment for 2001	% Change in Employment
Construction	245	185	5.3	-32.4
Other	186	250	7.1	25.6
Non Basic	593	589	16.8	-0.7
Total	3,196	3,508	100	8.9

Table 28 Labour force Fort Nelson 2006

	2006 Census Fort Nelson total (person)
Agriculture and other resource –based industries	415
Construction	210
Manufacturing	395
Wholesale trade	155
Retail trade	305
Finance and real estate	140
Health care and social services	105
Educational services	180
Business services	480
Other services	570
Total experienced labour force 15 years and over	2,960

References

Stats Canada site Community profile;
<http://www12.statcan.ca/english/census06/data/profiles/community/Details/Page.cfm?Lang=E&Geo1=CSD&Code1=5959005&Geo2=PR&Code2=59&Data=Count&SearchText=Fort%20Nelson&SearchType=Begins&SearchPR=01&B1=All&Custom=>

Target Met

Yes /	No	Pending

Recommendations/Next steps

Measure 6-1.1 has been revised and changes endorsed by the PAG at the Aug. 17th/07 meeting. The revised measure is as follows: "Employment by broad sector (such as manufacturing, professional services, etc.) for the DFA". The revised target is; "No change or increasing over a five year period (report annually – report out – track trend)".

6-1.2 - Income by Sector - Local Economy

Measure 6-1.2

Contribution of income sources from each sector of the local economy (actual and percentage of data)

Target	Results
Report out ' no target.	<p>Table 29 reflects the income profile in the Fort Nelson TSA using the TSR 3 Socio Economic Analysis. The information is based on Stats Canada 2001 census. In 2001, the basic industries contributed \$89.3 million in income to the Fort Nelson TSA, which is a 41% increase from 1996 of \$63.4 million. The non-basic sector relies on the basic sector by selling goods and services to them. Overall, the non-basic sector accounts for 14% of the total income earned by the working labour force. Forestry is also the highest paying sector with workers earning an average of \$41,276, followed by mining (\$33,818) and construction (\$32,432).</p> <p>The 2006 Stats Canada census was released in May 2008, however, since the PAG endorsed changes to this measure in August 2007 and due to the fact that there are no free or priced standard data products available that provide employment income statistics by industry, Canfor chose not to report out on the 2008 census information. The only way to obtain such data is by a</p>

custom tabulation of the census database and based on the current curtailment condition and difficult economic situation the additional costs are not deemed acceptable.

Table 29: Income of the labour force

	1996 Income (\$millions)	2001 Income (\$millions)	% Change Income (\$millions)	Average Income
Forestry	31.1	31.7	1.9	41,276
Mining	3.5	18.6	81.2	33,818
Fish & Trapping	0.0	0	N/A	N/A
Tourism	6.2	7.5	17.3	15,823
Agriculture & Food	0.0	0.7	100.0	17,949
Public Sector	10.8	17.4	37.9	27,145
Construction	6.4	6	-6.7	32,432
Other	5.4	7.4	27.0	29,600
Non Basic	12.5	16	21.4	26,995
Transfer Payments	4.9	6.8	27.9	
Other non-employment income	1.1	5	79.2	
Total	82	117.3	30.2	

BC Stats. 1999 and 2004a. Income is based on after-tax total income from direct and indirect income sources. Average income was calculated by total income (\$) divided by employment (person) for 2001.

Target Met		
Yes ✓	No	Pending

References
Stats Canada site Community profile; http://www12.statcan.ca/english/census06/data/profiles/community/Details/Page.cfm?Lang=E&Geo1=CSD&Code1=5959005&Geo2=PR&Code2=59&Data=Count&SearchText=Fort%20Nelson&SearchType=Begins&SearchPR=01&B1=All&Custom=

Recommendations/Next steps
Measure 6-1.2 has been revised and changes endorsed by the PAG at the Aug. 17 th /07 meeting. The revised measure is as follows: "Employment by industry (such as forestry, tourism, high technology, etc) for the DFA". The revised target is; "No change or increasing (report every five years)". Data will be available through BC Stats and MOFR.

7-1.1 - Stakeholder Analysis

Measure 7-1.1 Implementation and annual update of a comprehensive stakeholder analysis of affected and interested parties	
Target	Results
1 (0)	A comprehensive Stakeholder Analysis has been completed in March 2003 and updated in November 2004. With the development of the COPI database (Creating Opportunities for Public Involvement) the old version of the Stakeholder Analysis has been rolled into the COPI database, which is regularly being updated by the users. Trapline and Guide Outfitter information is updated yearly by their respective government agencies and is forwarded to Canfor.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

A revision to this measure has been accepted by the PAG Aug. 23rd, 2007 and changes to the target has been accepted during the Oct. 25th, 2007 PRISM meeting. The measure was revised to: "Implementation and annual update of a comprehensive stakeholder database of affected and interested parties." The target has been revised to: "Target completion date September 30th (to complete annual updates of the database) (Variance = 1 month later). The revised measure/target will be reported out on in the 2008 Annual Report.

7-1.2 - Communication / Participation Plan

Measure 7-1.2

Development and implementation of a communication/participation plan, with early input from a range of stakeholder representatives

Target	Results
1 (0) TBD	The Fort Nelson Communications strategy has been developed and endorsed by the PRISM in November 2006. The Communications strategy includes suggested timelines and activities that should be conducted throughout any given year, and includes news releases, print and radio campaigns, a community report, field tours, school and college programs, presentations at the welcome visitors program and more. The activities and events outlined in the communications strategy follow the frame of the community relations program that has been developed as part of its 2006 Forest Capital Bid Proposal. The target of this measure has been met.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

A revision to this measure has been proposed to the PAG Aug. 23rd, 2007 and changes to the wording of the measure and target has been accepted by the PAG at the Oct. 25th, 2007 PRISM meeting. The measure has been revised to: "Number of methods used by licensees to communicate with the public on sustainable forest management on an annual basis, in addition to responding to written inquiries". The target has been revised to: "Minimum of three methods (such as SFMP web page or field trips or school visits or newspaper publication, etc) (report annually)". This measure will be reported out on in the 2008 Annual Report.

7-1.3 - Effective Public Advisory Group

Measure 7-1.3

The existence of an effective public advisory group

Target	Results
1 (0)	Given the extent of regular meetings of the Public Advisory Group, which principles follow the Terms of Reference, the target has been met. The Fort Nelson public advisory group, the PRISM (Public Response for Informed Sustainable Management), represents many of the interests of the community and continues to meet on a regular basis. The PRISM was able to hold five regular meetings and to attend two additional field tours (one in early spring and one winter tour) and to continue to provide fundamental input during the SFM measure revision throughout the reporting period. Feedback mechanism exists in form of bi-annual PAG surveys, feedback around the table and climate goal assessments after each PRISM meeting.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

A revision to the target of this measure has been proposed during the Aug. 23rd, 2007 PRISM meeting and the wording accepted at the Oct. 25th, 2007 meeting. The new target will be reported out on in the 2008 Annual Report and reads as follows: "One public advisory group having a written terms of reference and meeting a minimum of 4 times per year (report annually)."

7-1.4 - Equitable and Inclusive Deliberation Process

Measure 7-1.4

The conduct of an open public process prior to Government approval of operational plans, or any major amendments.

Target	Results
1 (0) Process	The broader public has been invited to comment and provide input into Canfor's proposed Forest Stewardship Plan (FSP), SFM Plan and general issues as listed in Table 30 Opportunities provided by Canfor for public input Based on the information provided, Canfor has met the target. In addition the PRISM and the processes of the meetings have addressed this measure as well as it pertains to deciding on the SFM approach for the DFA. PRISM meetings are held in an open format following the agreed upon terms of reference. Discussions and decisions are tracked in the meeting summary notes. The meeting notes are distributed during following meetings and approved by PRISM.

Table 30 Opportunities provided by Canfor for public input

	Date	Occasion
1	April 4 th , and 11 th /07	Newspaper Advertisement (Fort Nelson News): Notice to public, Canfor seeking comments on proposed harvest block and road locations for inclusion in FSP. Invitation to review and comment on proposed block and road plans until May 26, 2007 at Canfor Office.
2	May 5 th & 6 th	Community Exhibit: Canfor booth: Information on the SFM Plan and Forest Stewardship Plan, as well as contact information was made available to the public as part of the Community Exhibit display and through Canfor staff representative.
3	May 12 th /07	PAG field tour; field tour with the public to discuss general reforestation issues
4	Feb. 19 th /08	PAG/PRISM field tour to discuss waste issues on harvested blocks.
5	March 2008	Public comment and review period provided in relation to activities proposed for implementation as part of the approved PMP. Notification letters regarding PMP activities scheduled for implementation during the upcoming summer season were sent to all stakeholders (trappers and guide outfitters) and First Nations.
6	Ongoing	Efforts and initiatives designed to invite and support active First Nations involvement in the planning of Canfor's forest management and operational activities have been ongoing throughout the reporting period. Specific documentation of these activities and initiatives can be found in correspondence and consultation logs, First Nations and trap line files, MOA documents, COPI, and other related communications and documentation tools.

Target Met

Yes ✓	No	Pending
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7-1.5 - Open and Transparent Reciprocal Exchange of Social Values / Opinions

Measure 7-1.5 Documentation of open and transparent reciprocal exchange of social values/opinions, their influence in decisions, and participant satisfaction	
Target	Results
1 (0) document outlining the process, responses made and summarizing satisfaction	<p>The opportunities for the public to provide input, share information and values, as well comment on operational plans has been provided as shown in the two previous measures 7-1.3 and 7-1.4. Opportunities exist for the PAG to provide input and is tracked via the PRISM meeting summary notes. Notification letters/phone calls/comments received during public comment and review periods relating to operational plans are recorded on a contact log for the respective amendment. Other notifications, public comments and concerns, including First Nations, are recorded in the 'Creating Opportunities for Public Involvement' (COPI) database. The Planning department keeps an external communication and participation log that tracks all tours, info centers, presentations and requests for information. Satisfaction of the PRISM is evaluated at the end of each meeting through soliciting input from participants how they felt the meetings went, climate goal assessments are completed after each meeting and bi-annual satisfaction surveys are completed with the PAG (Figure 7 to Figure 10). The first bi-annual PAG survey was completed on January 4th, 2007, and since then two more followed. In spring of 2006, Canfor and the University of British Columbia delivered a public opinion survey to Fort Nelson residents in order to better understand people's views, concerns, and ideas about SFM. A total of 560 questionnaires were delivered to a sample of Fort Nelson residents and 131 completed questionnaire responses were received by June 19th 2006. People were asked questions on a variety of areas of sustainable forest management, including their opinions and beliefs about forest management issues in BC and the economic contributions of forestry, their satisfaction with forest management outcomes, and local forest management issues. An update and summary of the results of the public opinion survey was posted in the Fort Nelson News in May 2007. In addition the PAG Terms of Reference (TOR) identifies a process for feedback to gauge satisfaction. We also advertise our FSP amendments to the public, inviting their comment. The public is welcome to attend PAG meetings and we respond to public complaints. The documents outlining the process in the PAG TOR, the info sharing process with First Nations in the FSP, the MOA with PRFN describe a process to meet and to discuss issues. We have achieved the target by way of various process identified in these documents.</p>

Target Met		
Yes✓	No	Pending

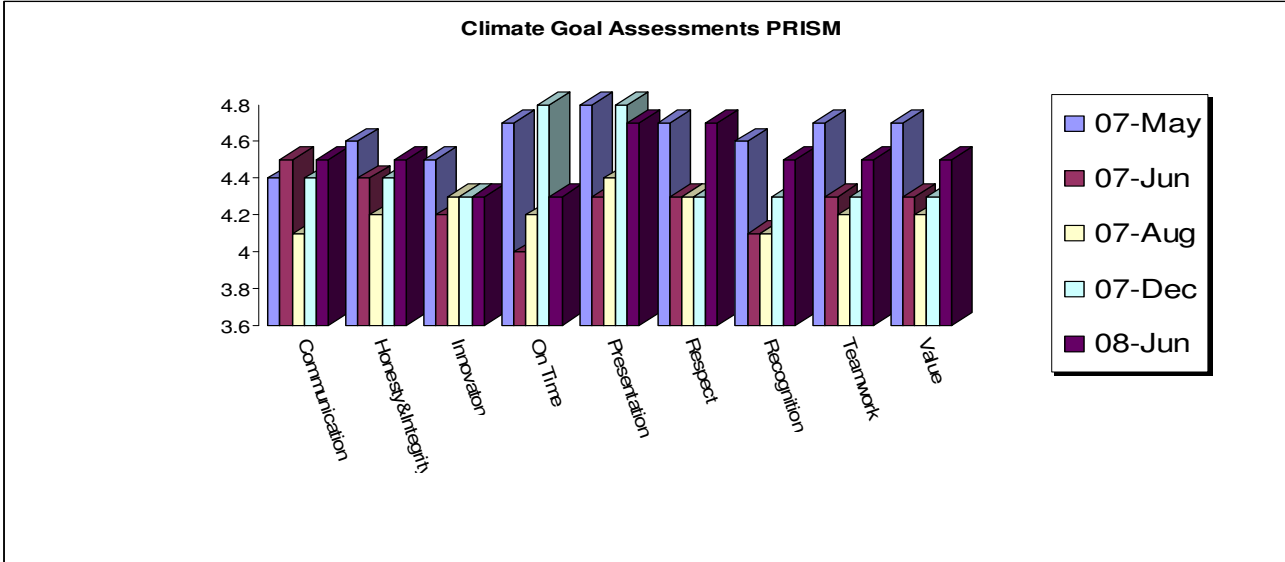


Figure 8: Climate Goal Assessments PRISM

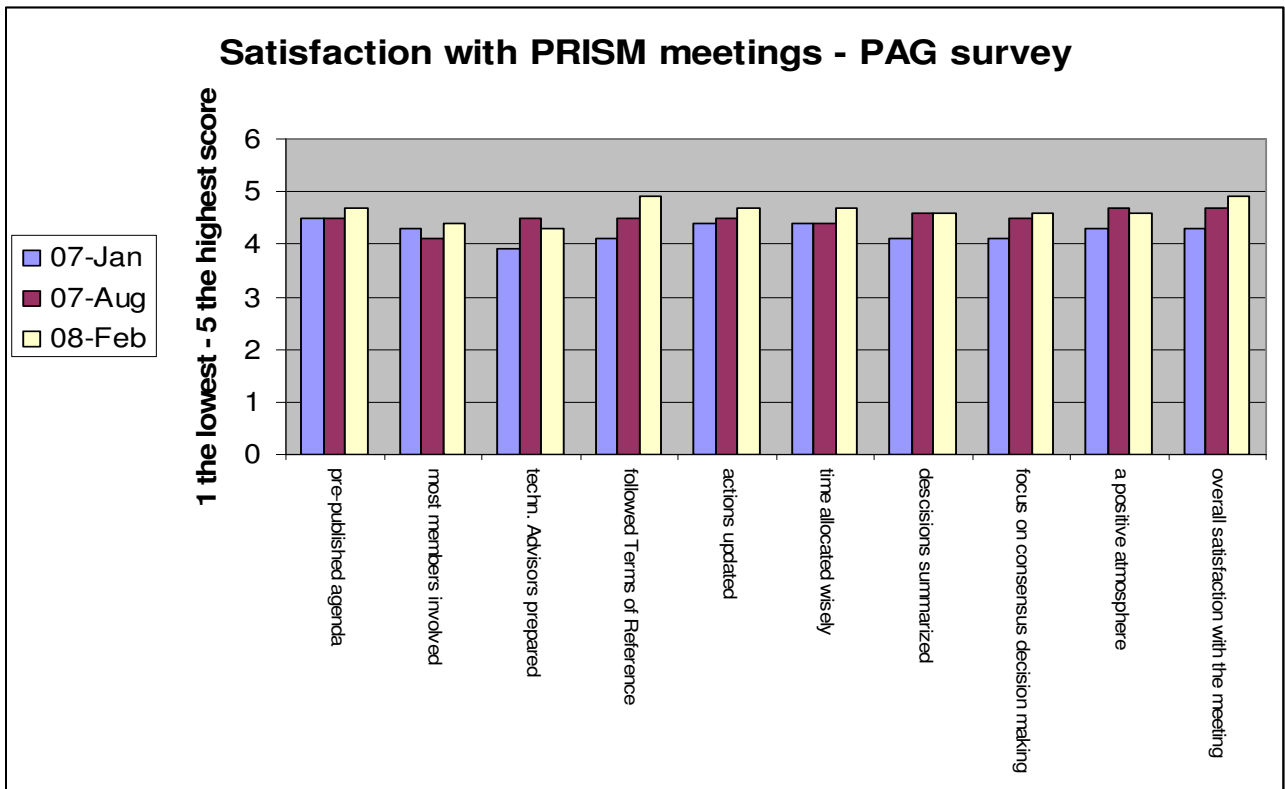


Figure 9: PAG Survey Meeting Satisfaction

Satisfaction with Facilitator and Support - PAG survey

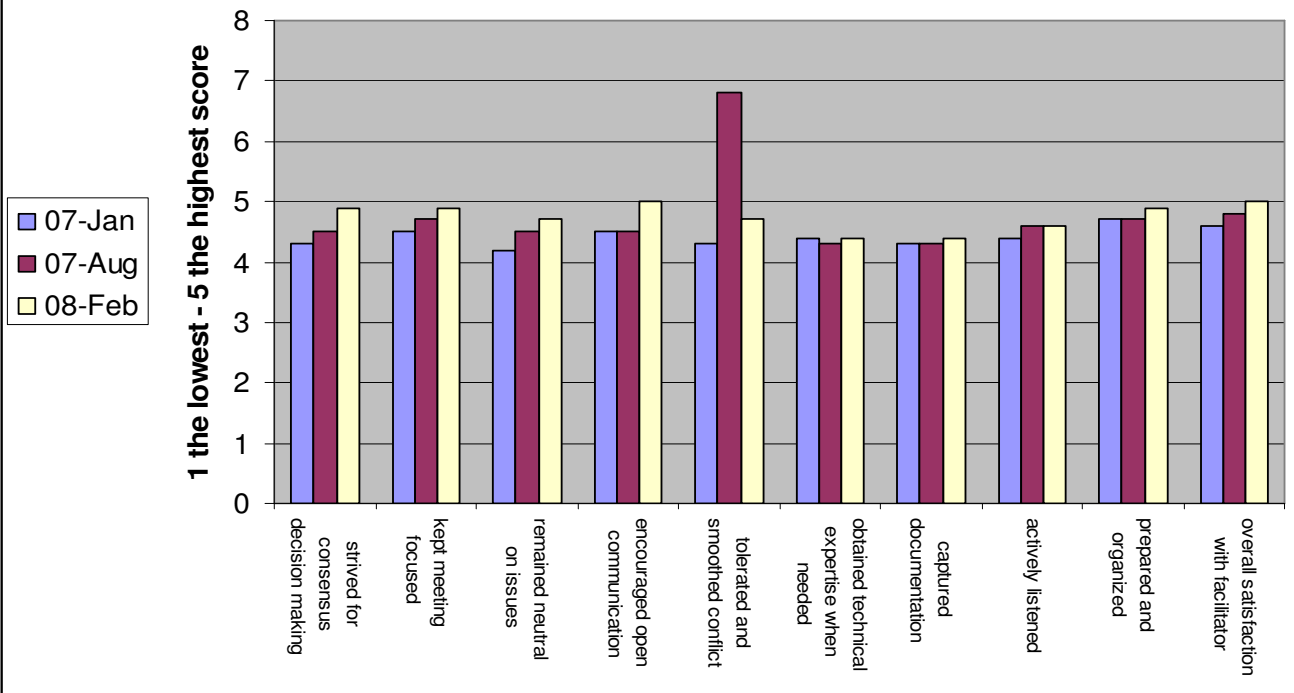


Figure 10: PAG Survey Satisfaction with Facilitation and Support

Satisfaction with Meeting Logistics - PAG survey

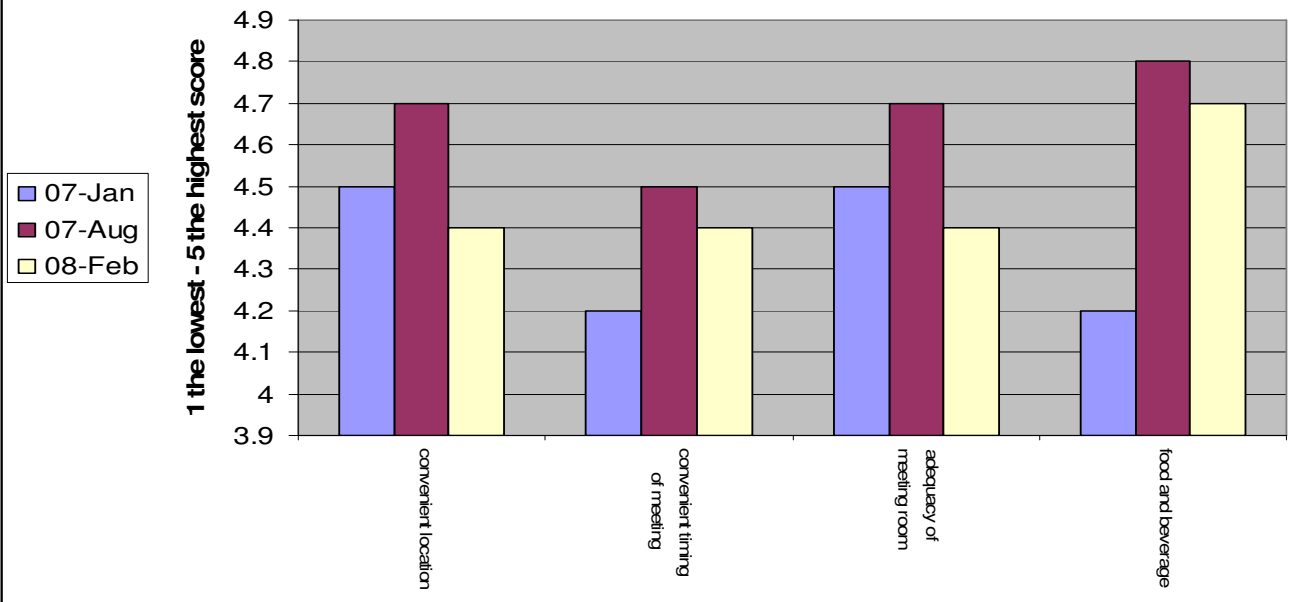


Figure 11: PAG Survey Satisfaction with Meeting Logistics

Recommendations/Next steps

A revision to the measure and target has been accepted by the PRISM at the Oct. 25th, 2007 meeting. The revised measure and target read as follows: measure: "Perceptions of members of the Fort Nelson Public Advisory Group (PRISM) about response of forest management to input from stakeholders". The target: "80% of responses have ratings of "3" or better (report annually); The performance of the measure will be reported out on in the 2008 Annual Report. The data will be retrieved from the regular PRISM surveys that are administered to the group.

7-1.6 - Endorsed SFM Plan

Measure 7-1.6

Endorsement of the SFM Plan by the PRISM

Target	Results
1	The target has been met, as the SFM Plan exists and continues to receive support and approval by the Fort Nelson Public Advisory Group (PRISM). The endorsement of the SFM Plan is verified in the PRISM meeting summary notes. The PAG has been actively involved in the revision of the measures and targets within the reporting period. The SFM Plan itself is currently being updated to reflect the changes made to the indicators, measures and targets. The revision to the SFM Plan is anticipated to be completed by the end of 2008.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The measure has been dropped during the measure revision at the Aug. 23rd, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

7-2.1 - Effective Communication of Information with the Public

Measure 7-2.1

Effective Communication of Information with the Public

Target	Results
5 (1)	The target of 5 communications with the public on criteria and indicator has been met with a focus of communications with the Public Advisory Group (PAG). A number of meetings where information on key resource indicators were provided, followed by a discussion forum, is listed in Table 31: Canfor communication with the public on criteria and indicators. Currently, the communications with the public pertaining to the Public Advisory Group (PAG) are tracked in the meeting summary notes. Communications to the broader public is currently tracked in the planning department.

Table 31: Canfor communication with the public on criteria and indicators

	Date	Author or Presenter
1	May 1, 2007	Summary of public opinion survey results submitted to Fort Nelson News to promote SFM awareness to the public
2	May 5 th & 6 th , 2007	Community Exhibit: Canfor booth: Information on the SFM Plan and Forest Stewardship Plan, as well as contact information was made available to the public as part of the Community Exhibit display and through Canfor staff representative.
3	May 21 st , 2007	Summary of PAG field tour, brief description of SFM, certification, and invitation to join the PAG – posted in the Fort Nelson News
4	June 6 th , 2007	Vegetation Resource Inventory Presentation by Bob Krahn, RPF Technical Advisor

	Date	Author or Presenter
5	Aug. 23, 2007	Non Timber Forest Products (NTFP) and benefits presentation by Canfor participants in regards to Criterion 5.
6	Oct. 25 th , 2007	Songbird and Woodpecker Effectiveness Monitoring in Northeastern BC by Manning Cooper and Associates
7	Sept. 25 th , 2007	Fort Nelson Community Forest National Forest Week Forestry School; Forestry Tour given to the Grade 5s from RL Angus and Chalo; Forest Topics: Forest Products, Forest Health, Riparian Areas, Harvesting/Silviculture, Tree ID, Measurement, Cultural/Traditional uses (provided by Canfor, BCTS and MOFR)
8	June 12 th , 2008	Invasive Plants presentation Ministry of Forests and Range

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

The current indicator and its measures has been dropped during the measure revision at the Aug. 23rd, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.



Photo 1 National Forestry Week



Photo 2 National Forestry Week: Riparian areas



Photo 3: National Forestry Week: Tree id



Photo 4: National Forestry Week: all about bugs

7-2.2 - Reciprocal Knowledge Exchange

Measure 7-2.2 Demonstration of reciprocal knowledge exchange (i.e. local community expresses increased knowledge of SFM and technical expert incorporates local knowledge into forest management decisions/plans)	
Target	Results
Increase local community knowledge by 2006	Climate goal assessments and feedback around the table during PRISM meetings are a venue to assess satisfaction and gaps in the process of disseminating SFM material to the public. A communication plan and various surveys were developed during the 2006 reporting period. A UBC public opinion survey has been conducted in the 2005 reporting period. The survey contained questions with a wide range of forest values and functions, as asked questions were specific to sustainable forest management. The results were presented to the PRISM in summer of 2006. This survey could provide a baseline if a resurvey would be considered in the future. Overall, extensive efforts have been made in the past years to disseminate SFM material to the Public (see measure 7-2.1). The surveys conducted showed that participants were generally satisfied with the meetings and information provided, however, it can only be assumed not measured, that SFM knowledge has increased based on the efforts made to share information with the public.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23 rd , 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

7-3.1 - Adaptive Management Strategy

Measure 7-3.1 Adaptive Management Strategy is developed, documented and acted upon	
Target	Results
1 (0) - interim target will be monitoring, analysis and reporting as part of this SFM Plan. A strategy is to be developed by April 2007.	This measure is meant to ensure that Canfor has in place a mechanism for changing their plans and activities in response to changing social, economic, legislative and ecological conditions. The target is to have such a strategy in place and functioning. Canfor has an adaptive management process laid out within the existing Forest Management System (FMS). Forecasting has been completed and a monitoring plan has been developed for the SFM Plan. Analysis and reporting occur in accordance with the monitoring plans. Due to the fact that an adaptive management process has been developed and implemented within the Environmental Management Systems and Sustainable Forest Management Plans, the measure could be dropped from the SFM Plan.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23rd and Oct. 25th, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report. The Adaptive Management Strategy will be discussed in the introduction of the revised SFM Plan.

7-3.2 - Monitoring Plan for Indicators

Measure 7-3.2

Monitoring Plan for Indicators

Target	Results
1 (0) plan for each measure	The information collected during the reporting period is used to allow Canfor to determine if their management strategies are effectively achieving the targets set out in the SFM Plan. The information is also used for forecasting and modeling and the development of management scenarios. The SFM Plan articulates for each measure a monitoring and reporting process within the appropriate measures section. A monitoring program has been developed in August 2005. The document is titled: 'Monitoring SFM values in the Fort Nelson DFA: Development of a Monitoring Program the Fort Nelson SFM Plan'. This plan provides detailed information per measure how to report on the target and in most cases provides a formula, showing the individual components that have to be monitored throughout the year. Based on the existence of the detailed monitoring plan, the target of one monitoring plan for each measure has been met.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23rd and Oct. 25th, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

7-3.3 - Forecasting Plans for Indicators

Measure 7-3.3

Forecasting Plans for Indicators

Target	Results
1 (0) summary of plan of each forecastable measure	Forecasted measures and a forecast result summary table are listed in the SFM Plan table 61 and 62 (March 15, 2005 version). A forecasting strategy for each measure has been described ranging from no forecasting for some process measures to full modeling for others in the SFM plan itself (SFMP p. 208). The forecasting process itself is described in the SFM Plan section 6.3.1. A forecasting report was completed with the development of the SFM Plan. This report provides details on what scenarios were used, what indicators and measures were modeled and reported on in the scenario forecasting, and the conclusions of the forecasting. The target for this measure has been met as forecasting and probable trends of measures are defined for each individual measure in the SFM Plan itself and an indicator scenario summary table exists.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23rd and Oct. 25th, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

7-3.4 - Information Management System

**Measure 7-3.4
Information Management System in place**

Target	Results
1 (0)	Canfor has adopted GENUS as their information and data management system. Genus is a huge forestry database which stores all ecological data, management activities, spatial data and financial data. GENUS is used to report on many of the measures identified in the SFM Plan. GENUS has been implemented at Canfor since April 2005. This measure and target have been met by the implementation of GENUS.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23rd and Oct. 25th, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

7-3.5 - Reporting and Analysis

**Measure 7-3.5
Reports and analysis of monitoring information – Annual Report**

Target	Results
1 Annual Report	This SFMP Annual Report provides the current status of measures based on monitoring results. This measure pertains to this annual report. With the completion of this third edition of the annual report, the target has been met.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The current indicator 7-3 and its measures were dropped during the measure revision at the Aug. 23rd and Oct. 25th, 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

8-1.1 - Percentage of Resolved Disputes

Measure 8-1.1

The percent of disputes resolved (i.e. accepted by both parties) on legally established treaty or legally established customary use rights established through written documents related to potential conflicts

Target	Results
100 % (0)	At the time of reporting there are no known disputes involving Canfor on any legally established treaty or legally established customary use rights.

Target Met		
Yes/		Pending

Recommendations/Next steps
The current measure was replaced and endorsed by the PRISM during the Dec. 6 th , 2007 meeting. The new measure reads as follows: "Percent of cutblocks where information sharing has met current legal requirements related to Aboriginal title and rights, or treaty rights." New target: "100%". The current measure will not be reported out on in the 2008 Annual Report.

8-1.2 - Dispute Resolution Mechanism

Measure 8-1.2 Appropriate mechanisms established through written documents / memoranda on the methods and procedures to resolve disputes over treaty and customary use rights	
Target	Results
1 Process (0) TBD April 2006 and implemented July 1, 2006	Canfor has made persistent efforts to build relationship agreements with three First Nation bands (Prophet River First Nation, Fort Nelson First Nation and Kaska Dene Council (KDC)) within the past years. A Memorandum of Understanding has been signed by Prophet River First Nation and Canfor. A dispute resolution process has been developed and agreed to in the Terms of Reference. Ongoing efforts on finalizing an agreement with Fort Nelson First Nation may result in the near future to defining dispute resolution between the parties. At this time it is evident that a dispute resolution only renders effective if dealt with each First Nation band on an individual basis.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The current measure was dropped at the Oct. 25th and Dec. 6th, 2007 meeting. The current measure will not be reported out on in the 2008 Annual Report.

8-2.1 - Treaty & Use Rights Strategies

Measure 8-2.1 The participation by Canfor and BCTS in implementation of treaty and use rights strategies	
Target	Results
100% (0)	This measure deals with Canfor respecting treaty and use rights through implementation of treaty and use rights strategies. This is done to ensure that we understand the impact of our forest management activities and seek to mitigate the impact of those activities on treaty and aboriginal rights. At the corporate level, Canfor has developed an Aboriginal Relations Strategy that provides a context and tools that divisions can use to strengthen relations with First Nations and guide our actions to respect treaty and use rights. The strategy requires information sharing with First Nations regarding our activities. Canfor provided affected First Nations with information and opportunity to comment regarding the impact on treaty and use rights of the blocks and roads planned for addition to Canfor's Forest Stewardship Plan. This measure and target have been met at the time of reporting.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

The current indicator 8-2 has been revised and endorsed by the PAG at the Dec. 6th, 2007 PRISM meeting: The revised indicator 8-2 reads as follows: "Forest management incorporates Aboriginal knowledge of forest values and uses". The measure 8-2.1 has been reworded to: "Percent of specific (confirmed) culturally important sites as identified by First Nations that are addressed by forest management planning"; the new target is: "100%". The current measure will not be reported out on in the 2008 Annual Report.

8-2.2 - Access to Resources for First Nations

Measure 8-2.2

The percentage success in implementing and monitoring management practices related to maintaining and enabling access to identified resources for First Nations through strategies articulated in Forest Stewardship Plans (FSP) and/or Memorandum of Agreement (MoA).

Target	Results
100% (TBD%)	<p>The management system can be used to monitor success in implementing strategies to ensure access to identified First Nations Cultural Heritage Resource (CHR) is maintained. The management system consists of:</p> <ul style="list-style-type: none"> • <i>Established MOAs and ongoing relationship agreement development activities</i> • <i>A mapping layer to identify the location of the CHR. This allows an assessment of any potential impacts from proposed blocks/roads on identified CHR. This layer will be updated as information becomes available.</i> • <i>The database for Creating Opportunities for Public Involvement (COPI) is used to track communications and dialogue between Canfor and First Nations regarding identified cultural heritage resources discussed with First Nations.</i> • <i>Strategies in the FSP and CHR and Site Plan SOPs.</i> <p>The management system is in place and is being utilized. None of the blocks harvested over the reporting period were identified as limiting access to resources for First Nations.</p>

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

The current indicator 8-2 has been revised and this measure was dropped at the Dec. 6th, 2007 meeting. The current measure will not be reported out on in the 2008 Annual Report.

8-2.3 – Satisfaction with Access to Resources for First Nations

Measure 8-2.3

Level of satisfaction with access to forest resources is maintained and/or enhanced relative to baseline status

Target	Results
Process TBD by July 2006 – Trend maintained or increasing	<p>This measure was identified as a knowledge gap, and was scheduled to be implemented by December of 2007. A FIA project was proposed to collect the data for this measure, but has not gone through. This measure and target are pending until the knowledge gap is closed off.</p>

Target Met		
Yes	No	Pending ✓

Recommendations/Next steps

The current indicator 8-2 has been revised and this measure was dropped at the Dec. 6th, 2007. The current measure will not be reported out on in the 2008 Annual Report.

8-3.1 - Reciprocal Knowledge Exchange with First Nations

Measure 8-3.1

Reciprocal demonstration of knowledge exchange (i.e. local community expresses increased knowledge of SFM and forest managers express increased knowledge of culturally relevant forest uses).

Target	Results
Process TBD by July, 2006 Trend increasing	This measure is meant to ensure there is a process in place that allows forestry management information exchange between First Nations communities and Canfor. An "information sharing form" was developed in 2007 to allow First Nations to express concerns, share or request information on various issues, however, no records have been received from the First Nations to date. With the development of the Terms of Reference (TOR) in June 2007 with Prophet River First Nations (PRFN) as part of the MOA between Canfor and PRFN, a formal information sharing process has been identified and followed. An MOA exists "in principle" between Fort Nelson First Nation (FNFN) and Canfor, including information sharing and exchange of comments/concerns throughout the reporting period. Diligent follow up on FSP related issues and referred cut blocks are documented and tracked. Participation of Canfor staff on FNFN Treaty days, as well as participation of Canfor staff at a "Community Day" hosted by PRFN, allowed to minimize the cultural gap and to build respect and trust between the parties. The Community day was a great forum to exchange knowledge, intermingle with people and to develop a better understanding of each others actions. In addition a "Newsletter" was circulated at PRFN to inform of ongoing forestry activities and issues, at the same time providing the opportunity to address concerns to the Forestry Employee at PRFN.



Photo 3: PRFN band member allowing Canfor staff to learn about their community



Photo 4: Community day PRFN

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The indicator and its measures were revised and changes endorsed by the PAG at the Dec. 6th, 2007 PRISM meeting. The indicator reads as follows: "Forest management practices show respect for Aboriginal forest values, knowledge, and uses". The measure has been revised to: "Number of opportunities provided to the affected First Nation's to comment on forest management activities (May include: referrals, presentations, workshops, meetings, or other). The revised target is: "1 per forest management activity: Harvesting (1); Herbicide application (1) and Road construction (1). The data will be retrieved from First Nation's communications records. The current measure will not be reported out on in the 2008 Annual Report.

8-3.2 - Known First Nations Cultural Issues

Measure 8-3.2

Forest management plans demonstrate consideration and accommodation of known First Nations cultural issues by protecting/or enhancing culturally sensitive areas/features

Target	Results
Trend increasing	Canfor's FSP includes results and strategies to conserve or protect, where necessary, cultural heritage resources that are the focus of traditional use by an aboriginal people and is of continuing importance to that people, and not regulated under the <i>Heritage Conservation Act</i> . Canfor also developed a SOP for cultural heritage resources, which builds upon the strategies identified in the FSP. Canfor's site plan development SOP describes how the cultural heritage resource strategy in the FSP is to be implemented. Tools, such as the archaeological model (Millenia 2000) and a mapping layer that identifies the general location of cultural heritage resource features, are used to conduct initial risk assessments and determine if an archaeological impact assessment or site review is required. Canfor has an inventory of 462 identified cultural heritage sites within the TSA that are recorded based on general known locations. Additional sites were identified since the last reporting period, however, none of those were located within any cutblocks harvested within the reporting period. Based on the fact that a strategy to deal with First Nations Cultural Heritage Resources and the commitment to First Nations in regards to information sharing exists in the approved FSP, that a procedure has been developed in SOPs to implement the strategy, and through the development of established MOAs and ongoing relationship agreement development activities, it is therefore considered that all cultural heritage resource issues/features made known to Canfor are protected. An increasing trend is obvious and the target can be considered met.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

The indicator and its measures were revised and changes endorsed by the PAG at the Dec. 6th, 2007 PRISM meeting. The new measure reads as follows: "Percent of Archaeological Impact Assessments where First Nation's involvement has been sought". The target is: "100%". The current measure will not be reported out on in the 2008 Annual Report.

8-3.3 - First Nations Rights and Interests of Non-Timber Forest Products

Measure 8-3.3 Forest Management Plans demonstrate consideration and accommodation of First Nation's rights and interests in known Non-Timber Forest Products (NTFP)		
Target	Results	
Trend increasing	As discussed in the previous measure 8-3.2, the approved FSP states Canfor's strong commitment to sharing information with First Nations, which includes that all FSP declared blocks will be referred to respective First Nations, that discussions and meetings take place to address concerns in regards to cultural heritage sites, traplines, any wildlife issues, as well as non timber forest products. For this reporting year, First Nation rights and interests in non-timber forest products have not been brought forward during meetings and discussions. A project to quantify what non timber forest products area has been submitted to the Forest Investment Account in 2008. However, the Forest Investment Account is currently deferring approval of any non timber forest products related projects until government standards for completing these projects are developed.	
Target Met		
Yes /	No	Pending

Recommendations/Next steps
The measure has been dropped during the measure revision process and endorsed by the PAG at the Dec. 6 th , 2007 PRISM meeting. Non-timber forest products related measures will be captured in the economic section (new measures 5-1.1 and 5-1.2). The current measure will not be reported out on in the 2008 Annual Report.

8-4.1 - Cultural Uses of Local Forest Resources

Measure 8-4.1 The percentage of Canfor/BCTS plans, maps and/or visual simulations showing baseline cultural uses of local forest resources, recognizing First Nations' concern for privacy for specific features.	
Target	Results
100% (0)	Comprehensive relationship agreements are considered by Canfor most effective for Canfor and local First Nations to exchange information and work cooperatively and proactively on integrated forest resource management issues. A Memorandum of Agreement (MOA), defining the administrative aspects of the relationship between Canfor and the Prophet River First Nation (PRFN) has been developed and accepted by both parties. The Term of Reference, which is setting the parameters for information exchanges, was developed and accepted in 2007. The Joint Management Advisory Committee (JMAC), a committee made up of management representatives from both Canfor and PRFN, is responsible for implementing the MOA, including facilitating the exchange of agreed upon information regarding cultural heritage use and forest management activities. In addition to the PRFN MOA, similar MOA and relationship agreement development activities are well underway between Canfor and the Fort Nelson First Nation, as well as between Canfor and the Kaska Dena Council. Efforts to pursue similar arrangements with the Fort Liard First Nation and Dene Tha First Nation are still being investigated.

To date Traditional Knowledge (TK) and Cultural Heritage Resource (CHR) information is held almost exclusively by local First Nation groups and peoples within the Fort Nelson TSA has not yet been shared with Canfor in the form of maps or other media. Should this information become available in the future, it will be considered and incorporated into forest management planning and operational activities where appropriate. At present efforts to obtain and incorporate this information into the forest management planning processes are ongoing. To this end, Canfor routinely refers forestry plans (FSP, PMP, annual harvest block and road work plans, etc) to affected First Nations groups, requesting comments and input relating to potential impacts associated with the implementation of planned activities on their aboriginal rights, values and interests. Canfor routinely undertakes Archaeological Overview Assessments (AOA) of archaeological potential for proposed cut blocks and access roads to determine if an Archaeological Impact Assessment (AIA) is required. Assessments of potential involve evaluations of the likelihood of encountering either known or as yet unknown archaeological sites. These assessments of potential are carried out by qualified archaeological consultants. In the event that the results of an AOA indicate a need for further investigation into the archaeological significance of a given site, an AIA would be performed by qualified archaeological consultants. Whenever possible, aboriginal community representatives are asked to actively participate in fieldwork and consultation processes within their traditional territories. Archaeological site information acquired during the course of an AIA is shared with the respective First Nation(s) following the completion of related AIA reports. This information is not made public by Canfor due to the potential sensitivity of the information. Identifying and mitigating potential risk to sensitive cultural areas affected by forest harvesting and road construction activities will be addressed through the development of a protocol to exchange information with First Nations and developing a process with First Nations for obtaining CHR and other Traditional Knowledge information.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps

The measure has been dropped during the measure revision process and endorsed by the PAG at the Dec. 6th, 2007 PRISM meeting. The current measure will not be reported out on in the 2008 Annual Report.

8-4.2 - Logging Details Accessibility to First Nations

Measure 8-4.2	
The percentage of plans, maps and/or visual simulations that outline logging details such as cutting areas, road construction, and include temporal aspects made available for First Nations.	
Target	Results
100% (0)	Canfor is committed to providing block and road details and opportunities for First Nations groups to actively participate in the review of Canfor’s proposed future activities (not previously referred/consulted), and in providing Canfor with comments and input for consideration in forestry plan development and plan implementation. To this end, Canfor has specific results and strategies within its FSP to address the First Nation consultation requirements under FRPA and other related legislation and legal precedence. Specifically, Canfor’s FSP states that on an annual basis, the holder of the FSP (Canfor) will communicate to affected First Nations the approved general areas of timber harvesting and road construction, if any, that are proposed for the year. Timber harvesting blocks and road locations proposed for inclusion in the FSP, not having previously undergone First Nations review and consultation, will be identified to the affected First Nation(s) prior to inclusion in the FSP. To provide an opportunity to review and comment on these proposed blocks and road locations, a 60 day review period will be provided to the affected First Nation(s) to allow for the review and submission of comments to the holder of Canfor. Both plans have been made available to First Nations and adequate consultation was made.

	Notifications of Canfor's 2007/2008 Winter Logging Plan, which shows the planned blocks for harvest and areas of planned road construction was sent out to the affected First Nations on Oct. 25, 2007. Affected First Nations were the Prophet River First Nation, Kaska Dena Council (Lower Post) and the Fort Nelson First Nation.) Copies of the notification letters are stored in the First Nation files and a tracking record is stored in the COPI (Creating Opportunity for Public Involvement) database. Canfor has met the target 100%.
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Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The measure has been dropped during the measure revision process and endorsed by the PAG at the Dec. 6 th , 2007 PRISM meeting. The current measure will not be reported out on in the 2008 Annual Report.

8-4.3 - Meaningful First Nations Participation

Measure 8-4.3 Meaningful First Nations participation enabled through culturally appropriate opportunities for inclusive participation.	
Target	Results
100% compliance with legal requirements (0)	This measure has been addressed through the development of the "Identification of First Nations Cultural Heritage Resources" Standard Operating Procedure, which contains a Communication and Documentation section that details how First Nations will be engaged and how comments and participation will be documented. Canfor has met the target for the reporting year, as First Nations have been included in all legally required consultations for FDP amendment procedures, Pest Management Plan consultation (PMP), and FSP review and consultation (evidenced by the approval of the FSP by the MOFR on March 5, 2007). Canfor completed only two significant consultation events, including two FSP review and consultation events (information package distribution and meeting invitations). In addition, a number of relationship building meetings and activities were undertaken in cooperation with individual First Nations groups in an effort to strengthen communications and facilitate the exchange of information (development of working relationships, MOA).

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The measure has been dropped during the measure revision process and endorsed by the PAG at the Dec. 6 th , 2007 PRISM meeting. The current measure will not be reported out on in the 2008 Annual Report.

8-4.4 - Comprehension of Management Plans

Measure 8-4.4 First Nations can comprehend management plan(s) (e.g. FSPs) and annual SFM reports.	
Target	Results
Process to be developed by December,	Canfor met on a number of occasions with First Nation groups to present and discuss Canfor's proposed Forest Stewardship Plan (FSP), and to discuss other related relationship building initiatives. Specific accounts of FSP related information package distributions, informative/consultative presentations, correspondence, and other related items and events provided to First Nations groups where documented in the Canfor's FSP Contact Log. The

2006 in conjunction with target for measure 8-3.1	documentation of these efforts itemized in the Contact Log serve to evidence Canfor's activities and commitment to helping First Nations groups understand the FSP, and provide opportunities to actively participate in review of the FSP, and to communicate their concerns and/or comments relative to any potential impacts on First Nations rights, interests and values. Canfor also asked first nations lands department representatives how the maps and plan content could be improved to improve comprehension of management plans. Canfor was advised to remove needless information and key in on information easily recognizable by First Nations such as terrain features, roads and water bodies and river systems. In response, Canfor developed a distinct set of maps to be used for information sharing purposes with First Nations. These maps were simplified as per the suggestions received from First Nations. In our information sharing activities with First Nations Canfor offers to assist First Nations in comprehending and reviewing our management plans. Due to a limited number of response and comments received relative to Canfor's consultation efforts, it is difficult to determine with a high degree of accuracy the true level of understanding and comprehension achieved. However First Nations have not indicated that they are unable to comprehend our plans. In light of this fact and Canfor's efforts made to assist First Nations in comprehension and understanding of our plans the measure is considered to have been met.
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Target Met		
Yes /	No	Pending

Recommendations/Next steps
The measure has been dropped during the measure revision process and endorsed by the PAG at the Dec. 6 th , 2007 PRISM meeting. The current measure will not be reported out on in the 2008 Annual Report.

9-1.1- Forests Managed for Recreation Activities

Measure 9-1.1	
Areas and percentage of forest managed primarily for one or more compatible recreation activities (by activity) relative to base line status as identified in LRMP, MK Recreation Plan, ROS, Northern Rockies Fort Nelson Hiking & Motorized Trail Guide from Mild to Wild (2003), individual Park Management Strategies; Northern Rockies Recreation Map (2004) (strategy documents).	
Target	Results
No degradation as a result of forest management activities (0)	No degradation to forests managed for recreation as a result of forest management activities conducted by Canfor occurred during the reporting period. Figure 12 provides an overview of Canfor harvesting blocks and their location in relation to recreational areas. It is apparent that no impact to those sites occurred. Therefore, the target has been met. Information to update the baseline information in the SFM plan has been obtained from following website: http://www.env.gov.bc.ca/bcparks/ . The Prophet River Wayside Provincial Park closed in 06/07 and the status of the Andy Bailey and Tetsa River provincial parks changed to regional parks.

Table 32: Area and percentage of forests managed for recreation activities

Parks and Protected Area	Area (ha)	Maintaining Agency	Activity Type
Northern Rocky Mountains Provincial Park	665,709	BC Parks	wildlife viewing, fishing, boating, hunting, camping, hiking, horseback riding, photography
Stone Mountain Provincial Park	25,179	BC Parks	wildlife viewing, fishing, boating, hunting, camping, hiking, horseback riding, photography
Liard River Corridor Provincial Park	88,989	BC Parks	fishing, hiking, camping, horseback riding, canoeing, river boating, wildlife viewing, hunting, ATV use, photography
Liard River Hot Springs Provincial Park	1,082	BC Parks	camping, picnicking, swimming, biking, hiking, wildlife viewing (Park closed Aug 1 st – May 1 st)
Hyland River Provincial Park		BC Parks	no information on BC Parks site
Smith River/ Fort Halket Provincial Park	244	BC Parks	picnicking, hiking, boating, fishing, biking, wildlife viewing,

Parks and Protected Area	Area (ha)	Maintaining Agency	Activity Type
Scatter River Old Growth Provincial Park	1,178	BC Parks	hunting
Maxhamish Lake Provincial Park and Protected Area	27,516	BC Parks	camping, fishing, horseback riding, hunting, ATV
Thinahtea Protected Area	20,379	BC Parks	camping, boating, fishing, wildlife viewing, hunting
Kotcho Lake Village Provincial Park	34	BC Parks	camping, swimming, boating, fishing
Jackpine Remnant Provincial Park	148	BC Parks	camping, hunting
Andy Bailey Regional Park*	196	BC Parks	camping, picnicking, swimming, boating (non-motorized), fishing, biking, wildlife viewing (changed status from Provincial to Regional park)
Goguka Creek Protected Area	435	BC Parks	hunting
Hay River Protected Area	2,324	BC Parks	camping, fishing, horseback riding
Klua Lakes Protected Area	28,040	BC Parks	camping, boating, fishing, horseback riding, wildlife viewing, hunting, snowmobile
Muncho Lake Provincial Park	86,079	BC Parks	camping, picnicking, hiking, swimming, boating, fishing, biking, wildlife viewing, scuba diving, waterskiing, hunting,
Toad River Hot Springs Provincial Park	423	BC Parks	camping, boating, fishing, horseback riding, hunting
Tetsa River Regional Park*	115	BC Parks	camping, boating, fishing, biking (changed status from provincial to regional park)
Homeline Creek Provincial Park	298	BC Parks	camping, hiking, horseback riding, hunting
Prophet River Hot Springs Provincial Park	185	BC Parks	camping, fishing, wildlife viewing, hunting
Prophet River Wayside Provincial Park*	113	BC Parks	camping, biking, wildlife viewing (CLOSED 2007)
Denetiah Provincial Park	97,908	BC Parks	camping, hiking, swimming, boating, fishing, horseback riding, hunting
Dall River Old Growth Provincial Park	644	BC Parks	camping, hiking, boating, fishing, horseback riding, hunting
* cooperatively managed by a community, society or other partner			
Total Area	1,047,218		
Percentage of DFA	10.61		
MOF Recreation Sites	Area (ha)	Maintaining Agency	Activity Type
West Lake	82	MOF User maintained	
Muskwa River Boat Launch	151	MOF User maintained	
Tuchodi River		MOF User maintained	No longer in existence
Gathto Creek	108	MOF User maintained	
Beaver Lake	65	MOF User maintained	
Total Area	406		
Percentage of DFA	0.0041		
Ecological Reserves	Area (ha)	Maintaining Agency	Activity Type
Grayling River Hot Springs Ecological Reserve	1421	BC Parks	hiking, nature observation, photography
Portage Brule Rapids Ecological Reserve	724	BC Parks	hiking, nature observation, photography
Smith River Ecological Reserve	1326	BC Parks	hiking, nature observation, photography
Fort Nelson River Ecological Reserve	121	BC Parks	hiking, nature observation, photography
Parker Lake Ecological Reserve	259	BC Parks	hiking, nature observation, photography
Kotcho Lake Ecological Reserve	64	BC Parks	hiking, nature observation, photography
Total	3915		
Percentage of DFA	0.0397		
Recreation Trails	Length (km)	Maintaining Agency	Activity Type
Teetering Rock Trail	12	MOF	hiking, viewpoint, camping
Tetsa Bridge #1 Trail	4		hiking, biking, bird watching
MacDonald Creek Trail (Stone Mtn.)	21	BCParks	hiking, horseback riding, camping, fishing, wildlife viewing
Baba Canyon Trail	5		hiking, viewpoint
Wokkpash Trail (Northern Rocky.Stone Mtns)	70	BCParks	hiking, viewpoint
Petersen Canyon	6		hiking, biking
Mineral Licks Trail	0.7	BCParks	hiking, biking, viewpoint, wildlife viewing

Parks and Protected Area	Area (ha)	Maintaining Agency	Activity Type
Teeter Creek Trail	0.6		hiking, fishing
Smith River Falls Trail	0.7	BCParks	hiking, fishing, viewpoint
Tsimeh Lakes Trail	16	FN Cross Country Ski Club	Cross country skiing, hiking
Fort Nelson Demonstration Forest	13	FN Cross Country Ski Club	cross country skiing, hiking, biking
Dunedin Trail	7.5		hiking, mountain biking, horseback riding
Summit Ridge Trail	2.3		hiking, viewpoint
Summit Peak Trail	5	BCParks	hiking, viewpoint
Flower Springs Trail	6	BCParks	hiking, camping
Summit Tower Trail	6		hiking, mountain biking, viewpoint
Erosion Pillar Trail	0.5	BCParks	hiking, viewpoint
"The Cut" Trail	6		hiking, mountain biking, viewpoint, wildlife viewing
Red Rock Canyon	3		hiking
Old Alaska Highway	2	BCParks	hiking, mountain biking, viewpoint
Stone's Sheep Trail	2.5	BCParks	hiking, wildlife viewing
Boulder Canyon	2.3		hiking
Total length	192.1		
Total Area	38.4	(an average width of 2m is used for area calculation)	
Percentage of DFA	0.0004		
Motorized Routes	Length (km)	Maintaining Agency	Activity Type
Wokkpash Corridor	54		ATV, snowmobiling, horseback riding, biking, hiking
Yedhe Trail	36		ATV, snowmobiling, horseback riding, biking, hiking
West Toad Corridor	23		ATV, snowmobiling, horseback riding, biking, hiking
Nonda Creek Corridor	25		ATV, snowmobiling, horseback riding, biking, hiking
Liard River Corridor	56		ATV, snowmobiling, horseback riding, biking, hiking
Mould Creek Tower Road	15		ATV, snowmobiling, horseback riding, biking, hiking
Smith River Road	47	MOF	ATV, snowmobiling, horseback riding, biking, hiking
Total length	256		
Total Area	256	(an average width of 10m is used for area calculation)	
Percentage of DFA	0.0026		
Total Area of Forest Managed for Recreation Activities		1,051,720	Percentage of DFA: 10.6578

MOF referred sites are currently maintained by the Ministry of Tourism, Sport and the Arts.

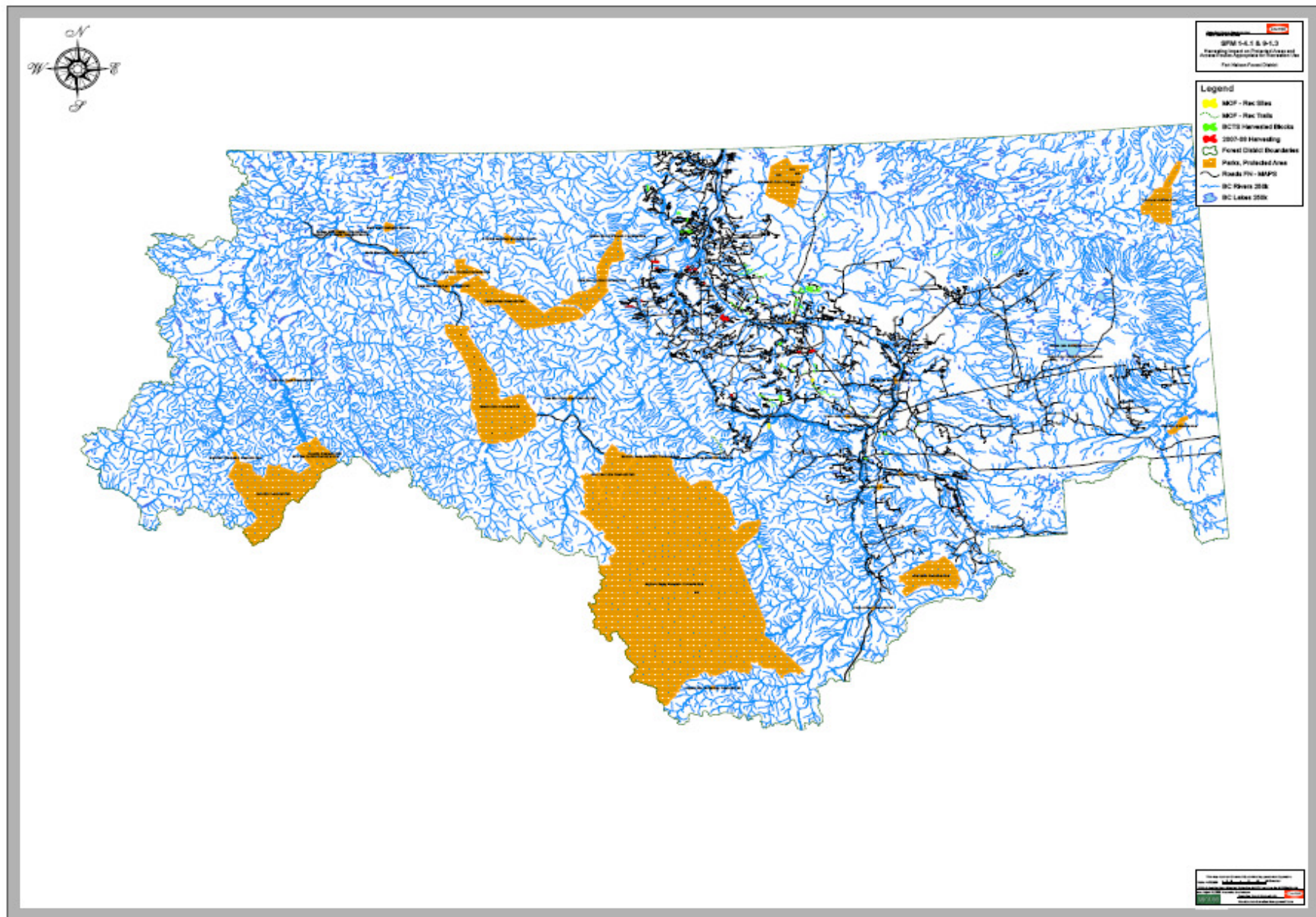


Figure 12: Parks and protected areas in the Fort Nelson DFA

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
<p>A revision to the indicator 9-1 and revision of its measures and targets were accepted by the PRISM during the Oct. 25th, 2007 meeting. The indicator reads as follows: "Forest Resources that contribute to recreation experiences are maintained or enhanced". The new measure 9-1.1 is "Number of forest recreation sites and trails and their facilities and access routes (including parks and protected areas, MOFR recreation sites, ecological reserves, recreation trails, and motorized routes)"; Target: "No reduction from forest management activities change or increasing (report annually relative to baseline status) Parks and Protected areas – 23; MOFR Recreation Sites – 5; Ecological Reserves – 6; Recreation Trails – 22; Motorized Routes - 7". Data can be obtained from the MTSA (District Recreating Officer, Fort St. John) or Land and Resource Data Warehouse (www.lrdw.ca).</p>

9-1.2 - Number of Recreation Sites/Facilities

Measure 9-1.2 Number of recreation sites/facilities maintained relative to baseline status	
Target	Results
No loss as a result of forest management activities (0)	This measure uses the same table and figure as Measure 9-1.1 (Table 40), and as such will not be re-printed here. No changes occurred since the last reporting year. Canfor did not operate in these areas, thus no loss as a result of forest management activities occurred.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
<p>This measure has been removed during the measure revision at the Oct.25th, 2007 PRISM meeting. Reporting of this measure was repetitive and was addressed through the revised measure 9-1.1 (see recommendations/next step for measure 9-1.1). This measure will not be reported out on in the 2008 Annual Report.</p>

9-1.3- Access Routes, Appropriate For Recreational Use

Measure 9-1.3 Ensure no net negative impact to access routes, appropriate for recreational use level in area, as a result of forest management activities	
Target	Results
No Decline from baseline (0)	Table 33 shows the access inventory for the Fort Nelson DFA. The overview map (Figure 12) shows the location of the harvested areas in relation to the access routes leading to recreational areas. Based on the information provided in Figure 12 and Table 33, the use of the access roads by Canfor had no negative impact on access to recreational sites or facilities, therefore the target has been met.

Table 33: Access routes appropriate for recreational use

Parks and Protected Area	Access Road (km)	Distance (km)	Canfor Road Use	BCTS Road Use	Type of Road	Maintenance Status
Northern Rocky Mountains Provincial Park	Alaska Highway	n/a	n/a	n/a		
Stone Mountain Provincial Park	Alaska Highway	n/a	n/a	n/a		
Liard River Corridor Provincial Park	old road to Nordquist Lake and Elk Mtn.	56	n/a	n/a		
Liard River Hot Springs Provincial Park	Alaska Highway	n/a	n/a	n/a		
Hyland River Provincial Park	no info. from BCParks	n/a	n/a	n/a		
Smith River/ Fort Halket Provincial Park	gravel road	2.4	n/a	n/a		
Scatter River Old Growth Provincial Park	Alaska Highway, Liard River Corridor Park	n/a	n/a	n/a		
Maxhamish Lake Provincial Park and Protected Area	no road access	0	n/a	n/a		
Thinahtea Protected Area	no road access	0	n/a	n/a		
Kotcho Lake Village Provincial Park	Helmut road (within 3 km of park)	150	5	10	all weather	joint venture
Jackpine Remnant Provincial Park	no info. from BCParks	0	n/a	n/a		
Andy Bailey Provincial Park*	gravel road	16	6	n/a	all weather	Prov. of BC
Goguka Creek Protected Area	Alaska Highway	n/a	n/a	n/a		
Hay River Protected Area	no road access	0	n/a	n/a		
Klua Lakes Protected Area	no road access (winter)	0	n/a	n/a		
Muncho Lake Provincial Park	Alaska Highway	n/a	n/a	n/a		
Toad River Hot Springs Provincial Park	gravel road, trail	10	n/a	n/a		
Tetsa River Provincial Park*	gravel road	1	n/a	n/a		
Homeline Creek Provincial Park	no road access	0	n/a	n/a		
Prophet River Hot Springs Provincial Park	no road access	0	n/a	n/a		
Prophet River Wayside Provincial Park*	Alaska Highway	n/a	n/a	n/a		
Denetiah Provincial Park	no road access	0	n/a	n/a		
Dall River Old Growth Provincial Park	no road access	0	n/a	n/a		
* cooperatively managed by a community,						
MOF Recreation Sites						
West Lake	Smith River Road	47	n/a	n/a		
Muskwa River Boat Launch						
Tuchodi River						
Gathto Creek						
Beaver Lake						
Ecological Reserves						
Grayling River Hot Springs Ecological Reserve	no road access	0	n/a	n/a		
Portage Brule Rapids Ecological Reserve	no road access	0	n/a	n/a		
Smith River Ecological Reserve	no road access	0	n/a	n/a		
Fort Nelson River Ecological Reserve	no road access	0	n/a	n/a		
Parker Lake Ecological Reserve	Parker Lake Road	1.5	n/a	n/a		
Kotcho Lake Ecological Reserve	no road access	0	n/a	n/a		
Recreation Trails						
Teetering Rock Trail	Alaska Highway	n/a	n/a	n/a		
Tetsa Bridge #1 Trail	Alaska Highway	n/a	n/a	n/a		
MacDonald Creek Trail (Stone Mtn.)	Alaska Highway	n/a	n/a	n/a		
Baba Canyon Trail	Alaska Highway	n/a	n/a	n/a		
Wokkpash Trail (Northern Rocky.Stone Mtns)	Churchill Mine Road	3	n/a	n/a		
Petersen Canyon	Alaska Highway	n/a	n/a	n/a		
Mineral Licks Trail	Alaska Highway	n/a	n/a	n/a		
Teeter Creek Trail	Alaska Highway	n/a	n/a	n/a		
Smith River Falls Trail	gravel road	2.4	n/a	n/a		
Tsimeh Lakes Trail	McConachie Road	14	n/a	n/a		
Fort Nelson Demonstration Forest	within town	0	n/a	n/a		
Dunedin Trail	Alaska Highway	n/a	n/a	n/a		
Summit Ridge Trail	Alaska Highway	n/a	n/a	n/a		
Summit Peak Trail	Alaska Highway	n/a	n/a	n/a		
Flower Springs Trail	Alaska Highway	n/a	n/a	n/a		
Summit Tower Trail	Alaska Highway	n/a	n/a	n/a		
Erosion Pillar Trail	Alaska Highway	n/a	n/a	n/a		
"The Cut" Trail	Alaska Highway	n/a	n/a	n/a		
Red Rock Canyon	Alaska Highway	n/a	n/a	n/a		

	Access Road (km)	Distance (km)	Canfor Road Use	BCTS Road Use	Type of Road	Maintenance Status
Parks and Protected Area						
Old Alaska Highway	Alaska Highway	n/a	n/a	n/a		
Stone's Sheep Trail	Alaska Highway	n/a	n/a	n/a		
Boulder Canyon	Alaska Highway	n/a	n/a	n/a		
Motorized Routes						
Wokkpash Corridor	Alaska Highway	n/a	n/a	n/a		
Yedhe Trail	Alaska Highway	n/a	n/a	n/a		
West Toad Corridor	Alaska Highway	n/a	n/a	n/a		
Nonda Creek Corridor	Alaska Highway	n/a	n/a	n/a		
Liard River Corridor	Alaska Highway	n/a	n/a	n/a		
Mould Creek Tower Road	Alaska Highway	n/a	n/a	n/a		
Smith River Road	Alaska Highway	n/a	n/a	n/a		

Target Met		
Yes√	No	Pending

Recommendations/Next steps
<p>This measure has been removed and the revisions endorsed by the PAG during the measure revision at the Oct.25th, 2007 PRISM meeting.</p> <p>This measure will not be reported out on in the 2008 Annual Report.</p>

9-1.4 - Recreation Opportunities Maintained

Measure 9-1.4	
Balance of primitive, semi-primitive, & developed recreation opportunities (and associated quality of experience) as defined in identified strategy documents is maintained, relative to baseline status (by area).	
Target	Results
No decline from baseline (0)	The Integrated Land Management Bureau (ILMB) released the ROS for Fort Nelson in April 2006 and is currently appended to the Fort Nelson LRMP Socioeconomic & Environmental Assessment of Recommended land & Resource Management Plan (http://ilmbwww.gov.bc.ca/lup/lrmp/northern/frtnelson/app3/sec6.html). The ROS is a mapped inventory of the range of recreational opportunities that could be available to recreationists/tourists pursuing nature-based activities. In the last year's report the need to update on the total area for "Developed Recreation" to complete the baseline case has been pointed out. The information still has not been provided in the ROS available at the above website. The information will be reported out every three to five year as stated in the SFMP.

Table 34: ROS base case allocation of tourism/recreation lands by RMZ intensity

	Total Land	Percentage Distribution of RMZ's			
		AOIs	SMZs	GRZs	ERZs
Primitive Non-Motorized	1,881,158	21%	76%	2%	>1%
Semi-Primitive Non-Motorized	316,863	16%	72%	9%	4%
Semi-Primitive Motorized	3,526,640	3%	2%	11%	84%
Very High Recreation Features	30,822	66%	2%	23%	9%
High recreation Features	974,524	38%	48%	13%	1%
Outstanding Capability	11,457	0%	5%	72%	23%
Specially Managed Capability	2,026,256	23%	30%	9%	38%
Visual Quality – high sensitivity	326,712	34%	34%	30%	4%
Visual Quality – medium	310,431	11%	14%	16%	59%
Undeveloped watersheds > 5000	2,876,121	21%	70%	8%	0%
# of Guide Outfitter Territories	15	8	7	2	6

*Total does not add to 15 since one territory may overlap two RMZs with different designations.

Target Met		
Yes /	No	Pending

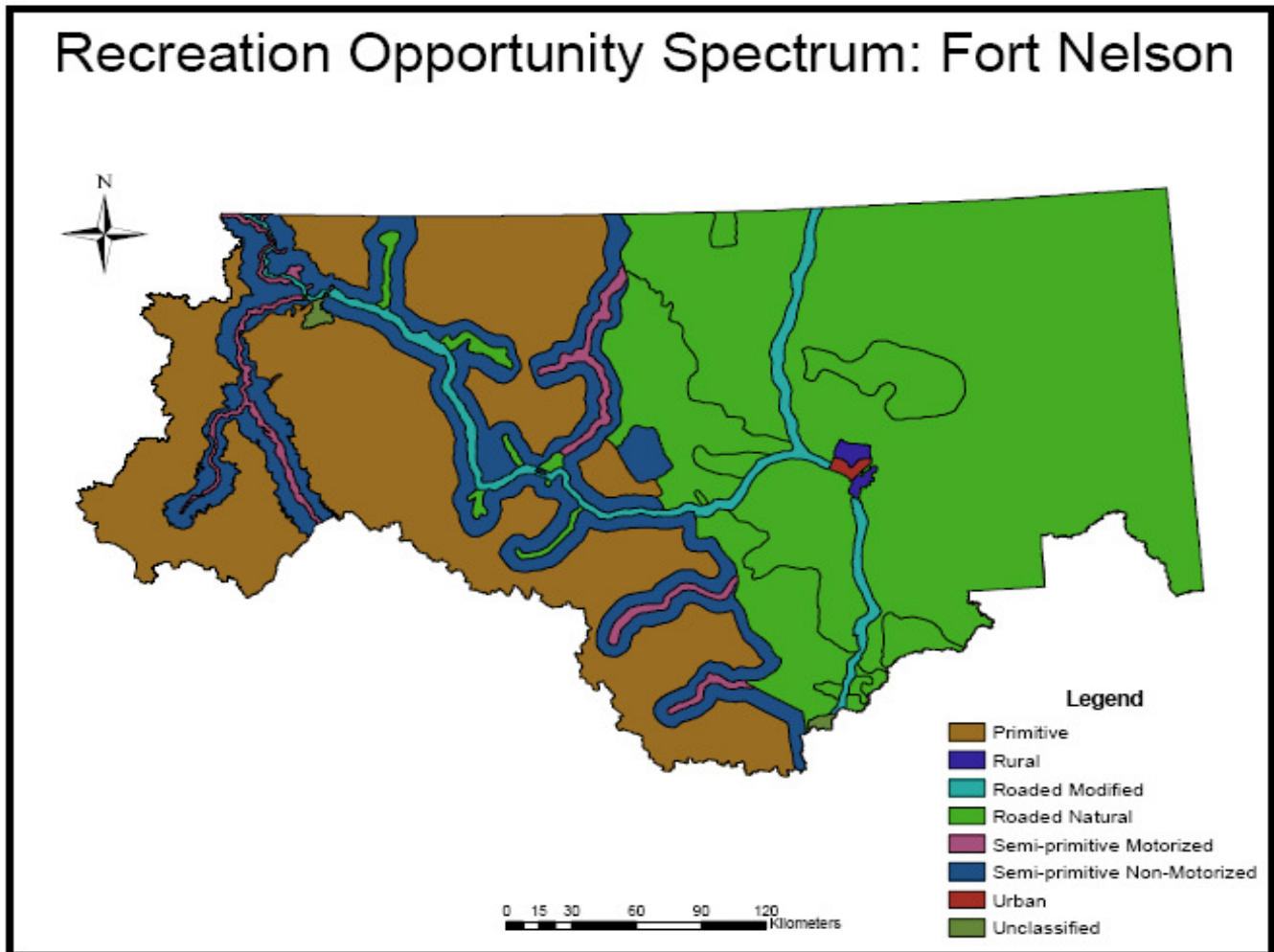


Figure 13: Fort Nelson Recreation Opportunity Spectrum

Recommendations/Next steps
This measure has been removed and the revisions endorsed by the PAG during the measure revision at the Oct.25 th , 2007 PRISM meeting. This measure will not be reported out on in the 2008 Annual Report.

9-2.1 - Compliance with Visual Quality Objectives

Measure 9-2.1 The percentage that forest management complies with existing Visual Quality Objectives (VQO's) established by the BC Ministry of Forests and Range for the area	
Target	Results
100%	None of the blocks harvested within the reporting period had Visual Quality Objectives (VQO). To date, Canfor has not been notified by the MOFR of any non-compliance issues regarding Visual Quality Objectives.

Target Met		
Yes /	No	Pending

Recommendations/Next steps

This measure has been reworded and the revisions endorsed by the PAG during the measure revision at the Oct.25th, 2007 PRISM meeting. The new measure reads: "Number of non-compliance with specified Visual Quality Objectives (VQOs) levels within a Scenic Area due to timber harvesting or road construction." The revised target is: "Zero (variance of 1) report annually".

9-2.2 - Compliance with LRMP Comment Concerning Visuals

Measure 9-2.2

Conformance with LRMP comments re: Visuals in river corridors and Muskwa River corridor use

Target	Results
100% (0)	This measure reviews conformance with LRMP comments regarding visuals in river corridors and the Muskwa River corridor. This measure essentially overlaps measure 9-2.1 (known and recommended VQO's). Measure 9-2.1 reports the areas harvested within VQO areas. During the LRMP process it was recommended that visual quality concerns be considered when planning forest management activities in the major river corridors in the Fort Nelson TSA as these corridors are used by various users for recreational purposes. The LRMP states that visual quality will be managed through existing legislation and regulation, including the Visual Quality Objective management system of the Ministry of Forests and Range. Currently, the established VQO's are the Alaska Hwy Corridor and the Klua Lakes protected area. There have been 63 scenic areas set when FRPA came into force, but the Ministry of Forests and Range, Fort Nelson, could not determine if any of these scenic areas were river corridor areas. Currently, there are no existing VQO's in river corridor areas. Because of the lack of established VQO's in river corridor areas and because the LRMP does not explicitly state visual quality concerns relating to river corridor areas, reporting on this measure cannot be achieved based on the measures current wording. When Canfor or BCTS propose harvesting in a river corridor area, buffers are established to screen the block from the river.

Target Met

Yes ✓	No	Pending
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Recommendations/Next steps

This measure has been removed and the change has been endorsed by the PAG at the Oct.25th, 2007 PRISM meeting. The information provided for this measure is covered in the new measure 9-2.1.

9-3.1 - Identification - Unique or Significant Places & Features & Protected Areas

Measure 9-3.1

Identify and track existing unique or significant places and features and protected areas

Target	Results
100% (0) will be identified and tracked	A Standard Operating Procedure for sites of biological significance has been developed in April 2007 and was reviewed and endorsed by the PRISM in at the June 21 st /07 meeting. The SOP defines sites of biological significance for the purpose of the Fort Nelson SFM Plan as outlined in measure 1-4.2. A mapping layer does exist as a tracking and operational tool to overlay or to add parks, recreation sites, trails and eco reserves. Apart from the significant biological sites identified in measure 1-4.2 no additional parks, reserves, recreation sites, trails and eco reserves were identified within the reporting year. Baseline data of <i>existing</i> unique or significant places and features, excluding sites identified in measure 1-4.2, are listed in Table 35.

Table 35: 2004 Baseline information of existing unique or significant places and features

Baseline information 2004	
Wokpash Hoodoos	Davie trail
Francois	High trail
Nelson Forks trading post	Simpson trail
Kotcho Lake village site	Contact creek
Fossil Creek Liard River confluence	Wooden oil derrick on Liard River
Parks, recreation sites, trails and eco reserves mentioned in 9-1.1	Steamboat lookout
Skooks landing	Allen's lookout
Sleeping Chief Mountain	

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The indicator and this measure has been revised and the change has been endorsed by the PAG at the Oct.25 th , 2007 PRISM meeting. The new indicator is: "Forest management conserves unique or significant places at the landscape and site level". The revised measure is as follows: "Compliance with documented management strategies on all existing and newly discovered unique or significant places, features and protected areas." The revised target is: Sites will be identified and tracked; 100% compliance with documented management strategies (10% variance). "The documented management strategies refer to the "Sites of Biological Significance SOP".

9-3.2 - Track - Newly Discovered Unique or Significant Places and Features and Protected Areas

Measure 9-3.2	
Track newly discovered unique or significant places and features and protected areas	
Target	Results
100% (0) of identified or newly discovered will be tracked	This measure complements the previous measure 9-3.1 to ensure that any potential damage caused by forestry activities to those sites is prevented. The Standard Operating Procedure on how to minimize the impact on biological significant sites, referred to in the previous measure, satisfies the full suite of measures from 9-3.1 to 9-3.3 No other newly discovered significant places, with the exception of biological communities and sites reported in measure 1-4.2, have been recorded within the reporting year.

Target Met		

Recommendations/Next steps
This measure has been removed and the change has been endorsed by the PAG at the Oct.25 th , 2007 PRISM meeting. The information provided for this measure is covered in the new measure 9-3.1.

9-3.3 - Degree of Protection Described

Measure 9-3.3 All existing and newly discovered unique or significant places and features and protected areas will have documented description of their degree of protection	
Target	Results
100% (0)	This measure pulls together the information provided in the previous two measures (9-3.1 and 9-3.2) and ensures that by following the protection strategies, impact to those sites caused by forest activities will be prevented. Table 36 provides the baseline information, showing the existing unique or significant areas/features, with the exception of features discussed in measure 1-4.2, and the degree of protection. No harvesting activities were conducted adjacent to the identified unique or significant places/features and protected areas identified in measure 9-3.1. Should any harvesting related activities be conducted adjacent to identified sites, individual site plans would describe the special management practice that would ensure protection of the site. The degree of protection is addressed in the Standard Operating Procedure on how to minimize the impact on biological significant sites, referred to in the previous measures 9-3.1 to 9-3.2.

Table 36: Degree of protection: Unique or significant places and features and protected areas

Unique or significant Area or Feature	Degree of Protection
Wokpash Hoodoos	Within provincial park, no harvest activity within park area
Francois	No formal protection*
Nelson Forks trading post site	No formal protection*
Old Fort Nelson trading post	No formal protection*
Kotcho Lake village site	Within provincial park, no harvest activity within park area
Fossil Creek Liard River confluence	Within provincial park, no harvest activity within park area
Parks, recreation sites, trails and eco reserves	Provincial park status, MOF recreation site status, no harvest activity within park,
Skooks landing	No formal protection*
Sleeping Chief Mountain	In Muskwa Kechika Management Area, no harvest activity until LU objectives established
Davie trail	Passes in and out of provincial parks, no harvest activity within park area
High trail	Passes in and out of provincial parks, no harvest activity within park area
Simpson trail	No formal protection*
Contact creek	No formal protection*
Wooden oil derrick on Liard river	Within provincial park, no harvest activity within park area
Steamboat lookout	No formal protection*
Allen's lookout	No formal protection*
Goguka Ck Protected Area	No harvest activity within protected area
Hay River Protected Area	No harvest activity within protected area
Klua Lakes Protected Area	No harvest activity within protected area
Thinahtea Protected Area	No harvest activity within protected area

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
This measure has been removed and the change has been endorsed by the PAG at the Oct.25 th , 2007 PRISM meeting. The information provided for this measure is covered in the new measure 9-3.1.

9-4.1 - Safety Incidence

Measure 9-4.1 Number of safety incidence occurring in the bush related to forest management strategies (i.e. not related to machinery or human error) decline relative to baseline	
Target	Results
Declining trend relative to baseline if any or 0	Canfor's accident/incident investigation summary for the reporting period shows that the overall number of accidents/incidents declined significantly compared to the number of incidents that occurred in the 2006 reporting period. The results reflect the fact that the safety management system is well implemented. At the same time are the reduced amounts of incidents linked to the reduced amount of harvesting activities within the reporting year and the overall reduced number of staff. The incidents that occurred during the reporting period were not related to Forest Management Strategies. The target has therefore been met.

Table 37: Number of Canfor's accidents/incidents

	Incidents	# Related to Forest Mgt. Strategies
2007 (April 1/06 to March 31/08)	14	0
2006 (April 1 /06 to March 31/07)	32	0
2005 (April 1/05 to March 31/06)	48	0
2004	49	0
2003	68	0

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
The indicator 9-4 and its measures were revised and changes endorsed at the Oct.25 th , 2007 PRISM meeting. The new indicator reads as follows: "Forest workers have a safe work environment". Measure 9-4.1 has been replaced with; "SAFE companies registration and certification". Target: "BCTS and Canfor are registered and certified as SAFE companies. All BCTS and Canfor harvesting contractors are registered as SAFE companies".

9-4.2 - Observance of Recognized Safety Standards

Measure 9-4.2 The percentage of observance of recognized safety standards in forest engineering and operations	
Target	Results
100% (0) By April, 2006, the Silviculture Coordinator will revise the SFM Plan to reflect the current condition of conformance with the measure.	The intent of this measure is to track the conformance to the implementation or observance of safety policies and standards. Within the reporting period, 14 incidents were observed, which relate to forest activities. With the implementation of our safety management system, we have processes in place to track, monitor and evaluate deviations from standards. Much of the tracking is observation based and reliant on managers and coordinators to identify the deviation, take corrective action, diarize the non-conformance and report the observation via a hazard observation report. The other tool used to track deviation from standards is random and schedule internal audits of staff, the OHS program and all systems that are linked to safety management. The review of incident investigations has several levels; investigations are to be reviewed by the OHS Committee member, Safety Coordinator, Area Coordinator, Departmental Manager, Woodlands Manager and the Regional Manager. The OHS committee also reviews incident summaries at each monthly meeting; the Safety Coordinator tracks all incidents via the Safety Pages database. Analysis of incidents and reoccurring trends is a regular part of Canfor's. Another component of tracking deviations is sharing of

information via hazard alerts; sharing occurs with other divisions and contractors, heightening awareness and promoting best practices. All systems listed have proven to be quite valuable and will continue as we move forward with our program management.

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
This measure was revised and changes endorsed at the Oct. 25 th , 2007 PRISM meeting. The new measure is the following: "Number of all injuries (including serious injuries)." The new target is: "Less than previous three year average of injuries (until zero injuries achieved); Number of injuries by WorkSafeBC forest industry category (report annually)."

9-4.3 - Written Safety Policies - Implemented & Effective

Measure 9-4.3 Written safety policies in place, are being implemented and are effective	
Target	Results
100% (0) compliance	Canfor Fort Nelson Woodlands Safety Policies and Procedures (38 items) are in place and are reviewed annually by all staff during monthly safety meetings. Safety Policies are posted on Canfor Fort Nelson Woodlands network and accessible to staff. All of the policies were evaluated as being effective, minor changes were made with respect to legislative descriptions, references to staff, annual review and training. Audits are completed on a regular basis to ensure staff conform with field procedures. Contractor safety meeting minutes are kept in the Woodlands office to ensure diligence of the contractors in administrating their own safety procedures.

Table 38: Canfor's current and valid safety policies/procedures

Safety Policies/ Procedures Policy	
Accident & Incident Investigation and Reporting Policy	New Equipment Policy
Alcohol and Substance Abuse Policy (Corporate)	Office and Administrative Safe Work Procedures
All Terrain Vehicles (ATV'S) Safety Policy/Procedure	Orientation and Best Practices
Bear Safety	Personal Protective Equipment Policy
Camps- Emergency Transportation	Radio Controlled Areas Procedure and Policy
Camps- Requirements for First Aid	Right to Refuse Unsafe Work
Chainsaw Safety Policy	Safe Work Procedure for all Canfor Worksites
Check- In Procedures- Camp Attendants	Smoking Policy – Field & PolarBoard
Chemical Management Policy	Training Certification
Chemical Management Safe Work Procedures	Vehicle Operation and Standards Policy
Check-In Procedures - Fly In Camps	WCB CLAIMS MANAGEMENT
Check-In Procedures for Workers	Weather Extremes Policy
Diarizing Journal Entries	Woodlands Safety Policy Statement
Emergency Response Plan- Camps	Working Around Heavy Equipment Safe Work Procedure
Evacuation Woodlands Office	Workplace Inspection and Monitoring Guidelines
Exposure Control Plan - Bloodborne Pathogens for First Aid	Helicopter Safety Policy
Field Equipment Requirements- Winter and Summer	Helicopter Safe Work Procedure
Field Work General Safe Work Procedure	Harassment in the Workplace; personal and sexual (Corporate)
Firearms Safety Policy	Hydrogen Sulphide (H2S)
Fire Marshall and Deputy Procedures	

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
This measure was revised and changes endorsed at the Oct.25 th , 2007 PRISM meeting. The new measure is the following: "Number of serious injuries"; the target is; "Less than previous three year average of serious injuries (until zero serious injuries achieved); Number of serious injuries by WorkSafeBC forest industry category (report annually)".

9-4.4 - Safety Occurrence Summary

Measure 9-4.4 Safety occurrence summary exists	
Target	Results
1 (0) summary	<p>Canfor's Accident/Incident Investigation summary database is updated on an ongoing basis. In the past year 7 safety related incidents (zero of which were lost time incidents) were recorded and 11 Hazard Observations. This is as a result of a rigorous hazard reporting system implemented with in our organizational structure and with our contractors as well. All incidents are recorded in Safety Pages (corporate tracking system) and an action plan is developed with a person assigned to complete the action in an allotted time. Completion of actions is monitored and follow up of all items is initiated at a management level. Overall, incident frequency is highest during the harvesting season due to the seasonal aspect of our operations with increased activity in the field. The Safety Management System provides a framework with a continuous focus on:</p> <ul style="list-style-type: none"> ✓ hazard assessment and control, ✓ training and orientation, ✓ inspections, ✓ incident investigation, ✓ records/statistics, ✓ SMS review, and ✓ contractor management as it relates to safe operations. <p>The Safety Committee mandate is to review all incidents, examine trends and ensures regular monitoring of all policies and procedures to ensure effectiveness. The safety committee meets monthly and is represented by each interest group within the Woodlands office (i.e. Managers, Forestry, Operations, Planning and Administration). The safety occurrence summary is located in Canfor's tracking system (Safety Pages) and the measure is met.</p>

Target Met		
Yes ✓	No	Pending

Recommendations/Next steps
This measure was revised and changes endorsed at the Oct.25 th , 2007 PRISM meeting. The new measure is: "Number of fatalities"; the new target is: "Zero – Number of fatalities by WorkSafeBC (report annually)".

