

SUSTAINABLE FOREST MANAGEMENT

2006 ANNUAL REPORT

*INVERMERE, BRITISH COLUMBIA
TIMBER SUPPLY AREA*

RADIUM DEFINED FOREST AREA



Executive Summary

This report is the first annual report of the Sustainable Forest Management Plan for the Radium defined management area. It is expected the annual report will both confirm the efforts made by the licensees under the plan, towards sustainable forest management and provide information that will lead to improvements in the plan and management practices.

Each licensee; Canfor and BC Timber Sales, have been contributors to the development of the plan however each is measured separately within the report.

The measures of sustainability evaluate the licensee's achievements in the major category areas of Ecological, Economic and Social values.

Each value area has a suite of associated measures and targets that the licensees have worked towards. The following table summarizes the licensees overall achievements of meeting the assigned targets:

Canfor

Value Category	Met	Pending	Not Met
Ecological	32	4	0
Economic	19	0	1
Social	30	3	2

Those areas in which the target was not met included an economic target (ROCE) and two targets related to having an effective communication plan in place.

BCTS

Value Category	Met	Pending	Not Met
Ecological	31	4	1
Economic	13	6 (including N/A)	1
Social	30	3	2

Those areas in which the target was not met included an ecological target in which course woody debris surveys had not been completed, an economic measure in which BCTS only sold 85% of their AAC (however, target is tied to a 5 year average not available as of yet), and two social measures related to having an effective communication plan in place.

The annual report also has provided 27 recommendations for editing the SFMP to be considered by the licensees and the public advisory group, in an effort to improve the plan.

SFMP
Annual Report
Reporting Period- April 1, 2006 to Dec 31, 2006

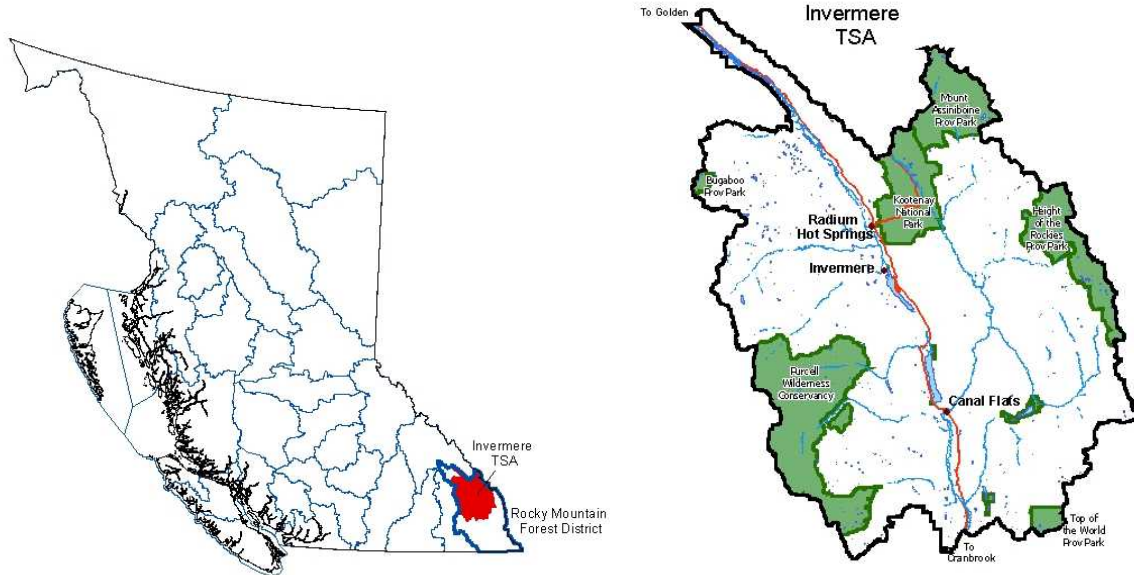


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1. Introduction

This Document is the first annual report of the Sustainable Forest Management Plan (SFMP) of the Radium, British Columbia Defined Forest Area (DFA). The Defined Forest Area is comprised of Canfor and BC Timber Sales operating areas within the Invermere Timber Supply Area. The annual report is an integral part of continual improvement of the 2006 SFMP. Secondly, this report is a part of the assessment to confirm Canfor and BC Timber Sales continued implementation of the CSA SFM standard. The reporting period is April 1, 2006 to December 31, 2006 which provides the status of all measures locally developed through the Sustainable Forest Management Planning process.



SFM Policy – Canfor

Canfor believes in conducting its business in a manner that protects the environment and ensures sustainable forest management. In July of 1999, Canfor formally announced its commitment to seek sustainable forest management certification of the company's forestry operations under the Canadian Standards Association Sustainable Forest Management (SFM) standard.

The management of Canfor has set out a number of commitments which define the mission, vision, policies and guiding principles for the company. These include the Canfor Mission, Environment Policy and Forestry Principles. These commitments have been used to enable and guide the development of the Sustainable Forest Management Plan. In addition, they also commit to continual improvement of performance through implementing the plan under the principles of adaptive management. Canfor's *Environmental Policy* and *Forestry Principles* detail the commitments to Environmental and Sustainable Forest Management for the Canfor Radium Defined Forest Area. More details of the Policy, Principles and the adaptive management process can be found in the SFMP document..

SFM Policy – BCTS

BC Timber Sales Corporate Overview

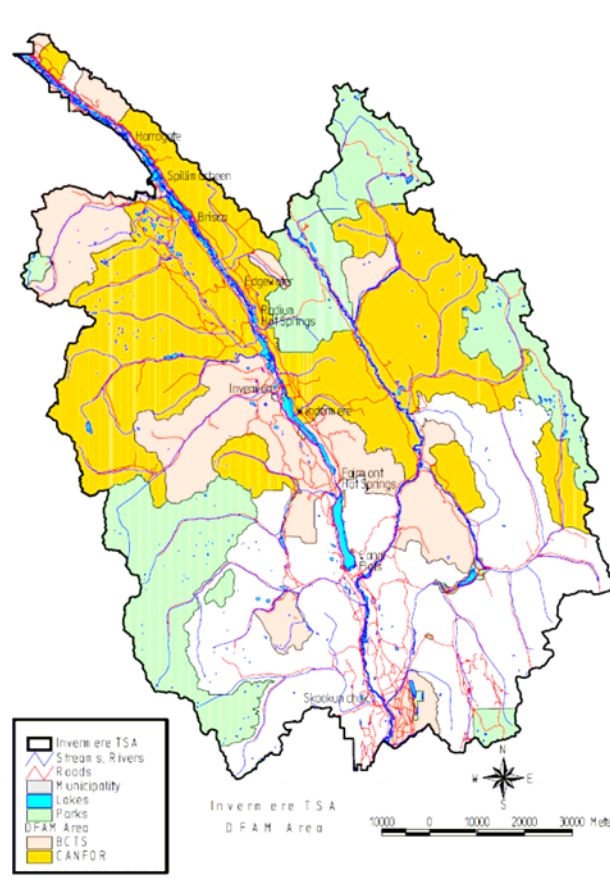
BC Timber Sales (BCTS) is a stand-alone organization within the Ministry of Forests and Range. They share the ministry's vision of "*diverse and sustainable forest and range values for B.C.*" and its mission to "*protect, manage and conserve forest and range values through a high-performing organization.*" BC Timber Sales was created to develop Crown timber for public auction to establish market price and cost benchmarks, and capture the value of the timber asset for the public. By 2007, BC Timber Sales will be responsible for managing some 20 percent of the provincial Crown allowable annual cut or approximately 16.5 million cubic metres of timber. The vision of BC Timber Sales is to be "*an effective timber marketer generating wealth through sustainable resource management.*"

BC Timber Sales, Kootenay Business Area – Sustainable Forest Management

In the fall of 2004, BC Timber Sales; Kootenay Business Area, accepted an invitation to join with Canfor Radium Division to develop a Sustainable Forest Management Plan for their operations within the Invermere TSA.

Jointly BCTS, Canfor and a public advisory group drafted a Sustainable Forest Management plan developing measures and targets to address a number of established indicators of sustainable forest management. The following documents the current status of meeting those targets.

Figure 1. Invermere TSA Map – Canfor & BCTS Operating Areas



Source: Interior Reforestation Co Ltd. 2006.

Criteria and indicators form the basis of a framework that assesses progress toward achieving the goal of sustainable forest management, where SFM is defined as:

“the balanced and concurrent sustainability of forestry-related ecological, economic and social values for a defined area over a defined time frame.”

Source: Radium SFMP

Criteria are meant to be broad management statements describing a desired state or condition. Criteria are validated through the repeated, long-term measurement of associated indicators. They include vital ecological functions and attributes, as well as socio-economic benefits. Considered the foundation of our SFMP the framework of indicators are described and validated by a series of measures as outlined in this report.

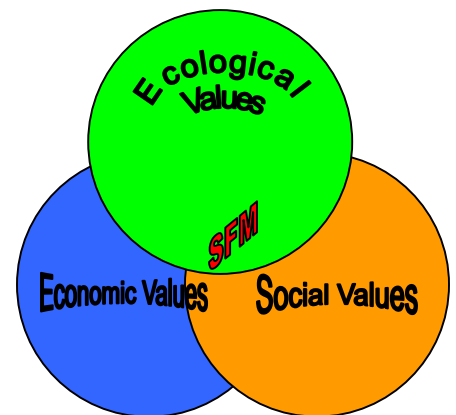


Table 1: Radium DFA Criteria & Indicators

Criterion	Indicator
Ecological Values	
C1. Biological richness and its associated values are sustained in the defined forest area (DFA)	1-1. Ecologically distinct habitat types are represented in an unmanaged state in the DFA to sustain lesser known species and ecological function
	1-2. The amount, distribution, and heterogeneity of terrestrial and aquatic habitat type elements and structure important to sustain biological richness are sustained
	1-3. Productive populations of selected species or species guilds are well distributed throughout the range of their habitat
	1-4. Government designated protected areas and sites of special biological significance are sustained at the site and sub regional level
	1-5. Forest Management activities will conserve the genetic diversity of tree stock
C 2. The productive capability of forest ecosystems within the Timber Harvesting Land Base (THLB) are sustained	2-1. Biological components of forest soils are sustained
	2-2. Productive land-base loss as a result of forestry activities is minimized
	2-3. Total growing stock of merchantable and non-merchantable tree species on forest land available for timber production
	2-4. No net detrimental loss in productivity as a result of forest related slope instability
C 3. Forest ecosystem contributions to global ecological cycles are sustained within the DFA	3-1. The total forest ecosystem biomass and carbon pool is sustained
	3-2. The forest products carbon pool is maintained or increased
	3-3. The processes that take carbon from the atmosphere and store it in forest ecosystems will be sustained
Economic Values	
C 4. The flow of economic benefits derived from management unit forests through the forest industry is sustained	4-1. Timber harvesting continues to contribute to economic well-being
	4-2. Citizens continue to receive a portion of the benefits
	4-3. Governments continue to receive a portion of the benefits
	4-4. Opportunities to share a portion of the benefits exist for local First Nations
	4-5. Forest management contributes to a diversified local economy
	4-6. Levels of forest damaging events or agents are managed such that their economic impact is minimized
C 5. The flow of marketed non-timber economic benefits from forests is sustained	5-1. Amount and quality of marketed non-timber forest resources is sustained or enhanced over the long-term as a result of forest management activities
C 6. Forest management contributes to a diversified local economy	6-1. Employment and income sources and their contribution to the local economy continue to be diversified
Social Values	
C 7. Decisions guiding forest management on the MU are informed by and respond to a wide range of social and cultural values	7-1. Forest management planning adequately reflects the interests and issues raised by the public (tenure holders, residents and interested parties) in the DFA through an effective and meaningful (to all participants) public participation process
	7-2. Community understanding and capacity to participate in forest management planning is improved through information exchange between DFA forest resource managers and the public through a varied and collaborative planning approach in order to facilitate capacity building in the community
	7-3. An adaptive management program is implemented for all levels of the Framework (Strategic, Tactical, Operational)
C 8. Forest management sustains or enhances the cultural (material and economic), health (physical and spiritual) and capacity benefits that First Nations derive from forest resources	8-1. Aboriginal and treaty rights are respected
	8-2. Local management is effective in controlling maintenance of, and access to, resources for First Nations
	8-3. The relationship between forest management and First Nations culture is acknowledged as important
	8-4. First Nations are provided with detailed, reciprocal knowledge pertaining to forest use as well as forest management plans prior to government approval and implementation
C 9. Forest management sustains ongoing opportunities for a range of quality-of-life benefits	9-1. Resources and opportunities for recreation (including quality of experience) are maintained or enhanced
	9-2. Visual quality of harvested/managed landscape is acceptable to a broad range of residents, stakeholders and visitors
	9-3. Forest management conserves unique or significant places and features of social, cultural, spiritual importance (including protected areas) at the landscape and site level
	9-4. Worker and community safety is maintained within acceptable levels
	9-5. Water resources will be sustained by maintaining water quality and quantity for domestic and community watersheds that are licensed for human consumption

2. Overview of Achievements

For the 2006 reporting year a total of 91 measures were examined. Canfor has met 81 of the targets (89%), another 7 results are pending (8%) and 3 targets was not met (3%). BCTS has met 74 of the targets (80%), another 13 are pending or N/A to the BCTS business model as written (14%), and 4 were not met (5 %).

Figure 2. Canfor's measures achieved by Element area

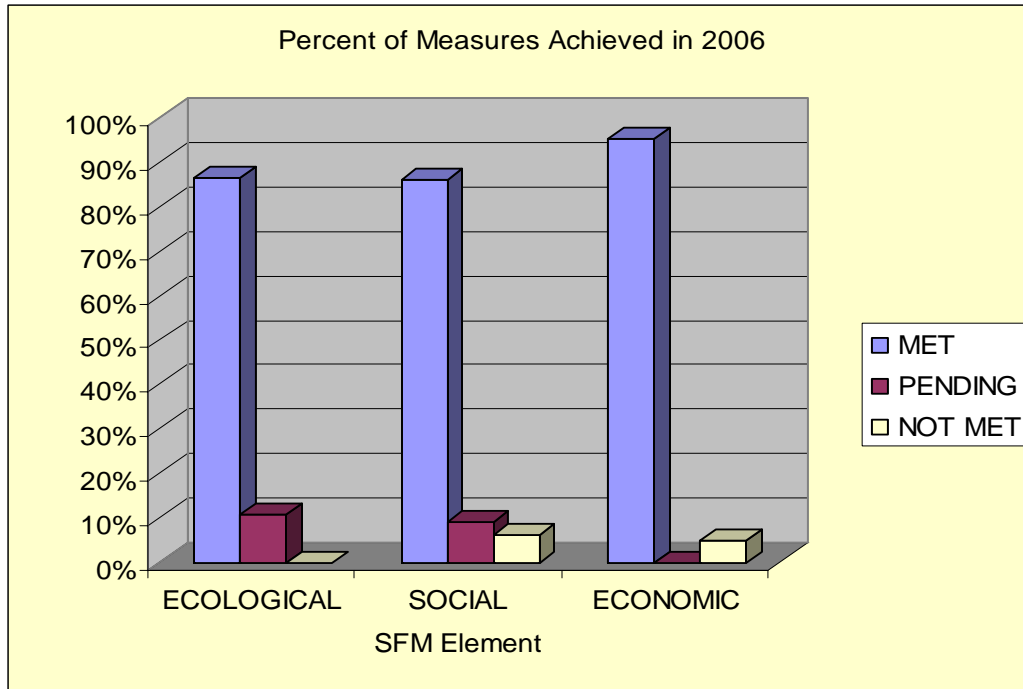
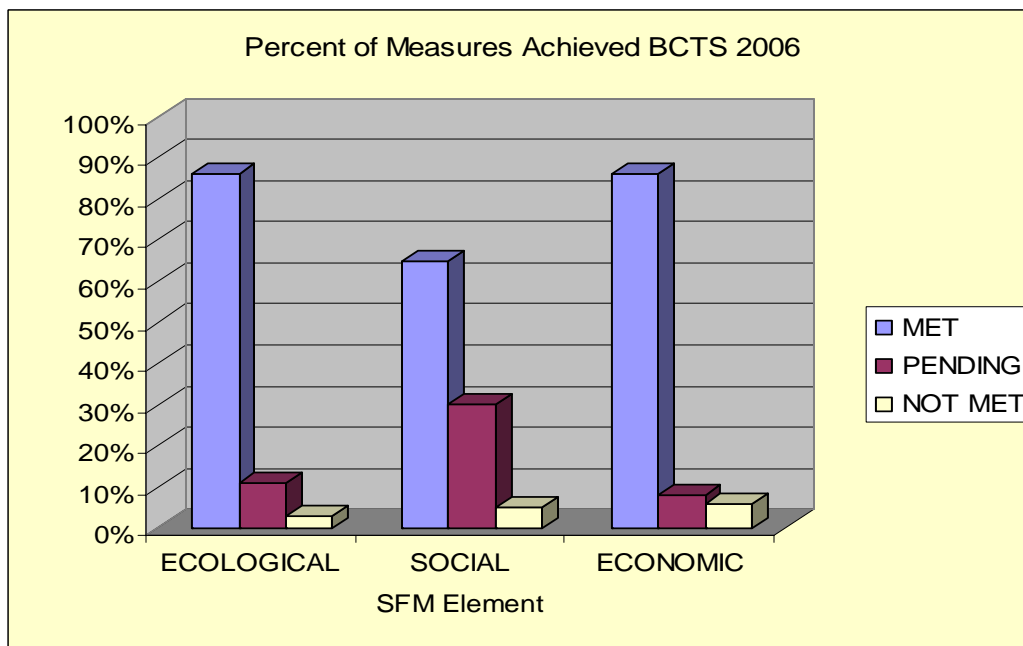


Figure 3. BCTS's measures achieved by element area.



The following Table 2, Table 3 and Table 4 summarize the status of the 2006 measures. (measures have been paraphrased):

Table 2. Summary of Ecological Measures Status

Measure		Canfor	BCTS	Pending	Not Met
		Met	Met		
1-1.1 Ecosystem Representation	Common	Y	Y		
	Rare Sites	Y	Y		
	Uncommon	Y	Y		
1-2.1 Habitat features as defined below:					
a)	Dead standing trees on harvested areas in the THLB	Y	Y		
b)	Stand level retention by Landscape Unit and BEC Variant	Y	Y		
c)	Coarse woody debris on harvested areas in the THLB	Y			BCTS
d)	Riparian areas RMA	Y	Y		
	Rare	Y	Y		
e)	Shrub areas across the CFLB	Y	Y		
f)	Hardwood areas across the CFLB Block	Y	Y		
	Landscape	Y	Y		
1-3.1 Vertebrate species.		Y	Y		
1-3.2 Vertebrate species populations.				Y	
1-4.1 Objectives for parks, reserves, protected areas, biologically significant areas..		Y	Y		
1-5.1 Tree Seed and Cone Regulation.		Y	Y		
1-5.2 The percentage of natural regeneration.		Y	Y		
2-1.1 Site index by inventory type group for harvested areas.		Y	Y		
2-1.2 Coarse Woody Debris.		Y	Y		
2-2.1 THLB converted to non-forest.		Y	Y		
2-2.2 Cutblock area having roads/landings.		Y	Y		
2-2.3 Long term detrimental soil disturbance.	Landscape			Y	
	Stand	Y	Y		
2-3.1 Regeneration delay period		Y	Y		
2-3.2 Regeneration standards.		Y	Y		
2-3.3 Free Growing.		Y	Y		
2-4.1 Landslides.		Y	Y		
2-5.1 Natural disturbance damaging.		Y	Y		
3-1.1 Carbon stored in trees.		Y	Y		
3-1.2 Carbon in non-tree vegetation.				Y	
3-2.1 Carbon Pool Forest Products.				Y	
3-3.1 Carbon Sequestration. Interim measures;	Hardwoods	Y	Y		
	Non Forest	Y	Y		
	Roads and landings	Y	Y		
	Regen Delay	Y	Y		
	Standards	Y	Y		
Free Growing		Y	Y		

Table 3. Summary of Economic Measures Status

Measure	Canfor Met	BCTS Met	Pending	Not Met
4-1.1 Timber supply is stable.	Y	Y		
4-1.2 Cut control limits.	Y			BCTS
4-1.3 Regeneration standards.	Y	Y		
4-2.1 Employment in each forestry sub-sector.	Y	Y		
4-2.2 Income in each forestry sub-sector.	Y	Y		
4-2.3 Indirect/Induced employment and income.	Y	Y		
4-2.4 Dollars spent locally from the forest sector.	Y	N/A		
4-2.5 Opportunities to sell timber to Canfor.	Y	N/A		
4-2.6 Corporate donations/sponsors.	Y	N/A		
4-3.1 Fees paid by industry.	Y	N/A		
4-3.2 Personal income taxes.	Y	N/A		
4-4.1 Opportunities for local First Nations.	Y	Y		
4-5.1 Timber supply certainty.	Y	Y		
4-5.2 The percentage return on capital employed (ROCE) at a primary processing facility or business unit		N/A		Canfor
4-6.1 Damaging events or agents.	Y	Y		
4-6.2 Treatment plans prepared for Damaging events or agents.	Y	Y		
5-1.1 Marketed/commercial non-timber forest resources.	Y	Y		
5-1.2 Amount and quality of marketed/commercial non-timber values.	Y	Y		
6-1.1 Employment by each sector of the local economy.	Y	Y		
6-1.2 Income sources from each sector of the local economy.	Y	Y		

Table 4. Summary of Social Measures Status

Measure	Canfor Met	BCTS Met	Pending	Not Met
7-1.1 Stakeholder analysis.	Y	Y		
7-1.2 Communication plan.				Y
7-1.3 Effective Public Advisory Group.	Y	Y		
7-1.4 Open public process of operational plans, or any major amendments.	Y	Y		
7-1.5 Transparent reciprocal exchange of social values/opinions.			Y	Y
7-2.1 The number and type of communication, with the public.	Y	Y		
7-2.2 Demonstration of reciprocal knowledge exchange.	Y	Y		
7-3.1 Adaptive Management strategy is developed.	Y	Y		
8-1.1 First Nations are provided the opportunity to comment.	Y	Y		
8-1.2 Absence of unresolved disputes on legally established treaty or customary use rights.	Y	Y		
8-1.3 Mechanism in place for dispute resolution over treaty and customary rights.			Y	

Measure	Canfor	BCTS	Pending	Not Met
	Met	Met		
8-2.1 Canfor and BCTS participate in implementation of treaty and use rights strategies	Y	Y	Y	
8-2.2 Acces to resources for First Nations.	Y	Y		
8-2.3 Level of satisfaction with access to forest resources.			Y	
8-3.1 Demonstration of knowledge exchange.	Y	Y		
8-3.2 Consideration and accommodation of Known First Nations Cultural Issues.	Y	Y		
8-3.3 First Nations' rights and interests in known Non-Timber Forest Products (NTFPs)	Y	Y		
8-4.1 Plans, maps of cultural uses of local forest resources			Y	
8-4.2 Accessibility plans, maps, prior to government approval.	Y	Y		
8-4.3 Meaningful First Nations Participation Enabled.	Y	Y		
8-4.4 First Nations Comprehension	Y	Y		
9-1.1 An inventory of Recreation site/features.	Y	Y		
9-1.2 Management of Forest Activities Appropriate for Recreation Feature.	Y	Y		
9-1.3 Participate in the development of a Recreation Strategy.	Y	Y		
9-2.1 Visual Quality Objectives (VQO's)	Y	Y		
9-2.2 Outside VQOs.	Y	Y		
9-3.1 New unique or significant places and features and protected areas.	Y	Y		
9-3.2 Management practices to protect features and values	Y	Y		
9-3.3 Appropriate management for all existing and newly discovered unique or significant places.	Y	Y		
9-4.1 Written safety policies in place and full implementation is documented	Y	Y		
9-4.2 Safety incident occurrence and reasons documented and summarized	Y	Y		
9-4.3 Number of safety incidences occurring in the bush related to forest management practices.	Y	Y		
9-5.1 Hydrological Assessments.	Y	Y		
9-5.2 Riparian Management Strategies.	Y	Y		
9-5.3 Stream crossings.	Y	Y		

3. Ecological Values

The Radium Sustainable Forest Management Plan included 36 measures to evaluate ecological criteria. The following provides specifics of each measure, target and results for both Canfor and BCTS. Where appropriate additional data and recommendations for improvement have been provided.

Measure 1-1.1 Ecosystem Representation

The measure reads; “Number Size and type of distinct habitat types in both the THLB and NHLB and recommends proportion of area that should be represented in an unmanaged state.

Target	Canfor Results	BCTS Results
25% of common ecosystem clusters (>10 000ha) will be reserved or managed to maintain or restore ecosystem function	Canfor has achieved the targets	BCTS has achieved the targets
100% of rare ecosystems clusters (<2000ha) will be reserved from harvest	100% compliance- No harvesting occurred within rare ecosystems clusters.	100% compliance- No harvesting occurred within rare ecosystems clusters.
For uncommon ecosystem clusters (>2000 ha and <10,000 ha), the amount reserved (or managed to maintain or restore ecosystem function) depends on the area of ecosystem group (Table 5)	Canfor has achieved the targets	BCTS has achieved the targets

An ecosystem representation project conducted by Ralph Wells RPF. (UBC) has provided direction for management of ecosystems. , describes the ecosystem groups and proportion of the group within the DFA

Table 5. Ecosystem Representation Targets

DFA Invermere TSA Ecosystem Representation Targets - March 31, 2007									
Rare Ecosystem Groups (<2000ha EKCP)									
Ecosystem Group	EKCP Area (ha)	EKCP Target	EKCP Target (ha)	EKCP NHLB	EKCP Net Target (ha)	DFA Area (ha)	DFA Responsibility (%)	DFA Net Target (ha)	
2	949	100%	949	232	717	266	28.1%	201	
14	1,645	100%	1,645	480	1,165	47	2.9%	33	
16	368	100%	368	130	237	151	41.1%	98	
24	1,750	100%	1,750	1,324	426	687	39.3%	167	
Uncommon Ecosystem Groups (>2000ha - <10,000ha EKCP)									
Ecosystem Group	EKCP Area (ha)	EKCP Target	EKCP Target (ha)	EKCP NHLB	EKCP Net Target (ha)	DFA Area (ha)	DFA Responsibility (%)	DFA Net Target (ha)	
8	4,402	89.9%	3,957	732	3,225	340	7.7%	249	
10	6,702	50.5%	3,385	2,664	721	3,737	55.8%	402	
12	10,851	27.1%	2,940	3,330	0	3,244	29.9%	0	
17	6,526	53.3%	3,476	3,740	0	277	4.2%	0	
18	8,891	31.5%	2,801	4,777	0	1,115	12.5%	0	
19	4,462	89.1%	3,978	4,065	0	127	2.9%	0	
29	2,444	99.7%	2,436	1,508	928	417	17.1%	158	
Low Representation Ecosystem Groups (>10,000ha EKCP)									
Ecosystem Group	EKCP Area (ha)	EKCP Target	EKCP Target (ha)	EKCP NHLB	EKCP Net Target (ha)	DFA Area (ha)	DFA Responsibility (%)	DFA Net Target (ha)	
1	73,765	25%	18,441	10,885	7,557	10,045	13.6%	1,029	
3	237,685	25%	59,421	55,357	4,065	23,169	9.7%	396	
6	92,710	25%	23,178	29,989	0	29,474	31.8%	0	
7	315,806	25%	78,952	103,435	0	75,879	24.0%	0	

Recommendations

Change the targets from a percentage target to a compliance target where possible i.e. 100% can be changed to 0 ha harvested in rare ecosystem clusters. This will allow for simplified reporting in the future while maintaining the intent of the target.

Adjust wording within the target to be consistent with the ecosystem tables; 25% of common ecosystem clusters ...should be "low representation ecosystem groups".

Measure 1-2.1 Significant Habitat Features

The measure reads; “Number, spatial distribution, characteristics and type of significant habitat features in each habitat type as defined below:”

Measure 1-2.1a Dead standing trees on harvested areas in the THLB

Target	Canfor Results	BCTS Results
100% of cutblocks will contain retention areas (consisting of high value existing snags or snag recruitment areas) greater than 0.25 ha such that any clear cut area is no more than 500m from a forest edge.	100% compliance- Cutblocks that have a clear cut area that is greater than 500m from a forest edge have WTR establish. No cutblocks are within an area that require WTR.	BCTS has 100% compliance

Measure 1-2.1b Stand level retention by Landscape Unit and BEC Variant

Target	Canfor Results	BCTS Results
WTPs will be established consistent with Provincial WTP strategies and Biodiversity guidebook targets. Targets for each LU/BEC combination have been developed. (See SFMP)	100% compliance – The targets for each LU/BEC combination have been achieved for each Landscape Unit.	BCTS has 100% compliance

For more information on the results see Invermere Wildlife Tree Retention Analysis Summary Report-Version 1.1-May 23, 2006- Forsite Consultants.

Measure 1-2.1c Coarse woody debris on harvested areas in the THLB

Target	Canfor Results	BCTS Results
CWD Targets by BEC consistent with Tembec and Canfor research (See SFMP)	Harvesting in 2006 occurred in the ESSF dk- Non-Pine and Pine stand types and MS dk- Pine stand types. The average volume per hectare for each zone and stand type compared to the target is: ESSF dk-Non-Pine Stand- Target: 100-250 m ³ /ha Actual: 116 m ³ /ha ESSF dk- Pine Stand- Target: 75-250 m ³ /ha Actual 210 m ³ /ha MS dk- Pine Stand- Target: 20-50 m ³ /ha Actual: 112 m ³ /ha On average the targets were achieved. In addition, each individual harvest block exceeded the targets. The diameter distribution and average volume by BEC zone is shown in the graphs below.	BCTS did not complete assessments of CWD only waste surveys were completed.

Figure 4. Summary of Canfor CWD Survey Results-Piece Size

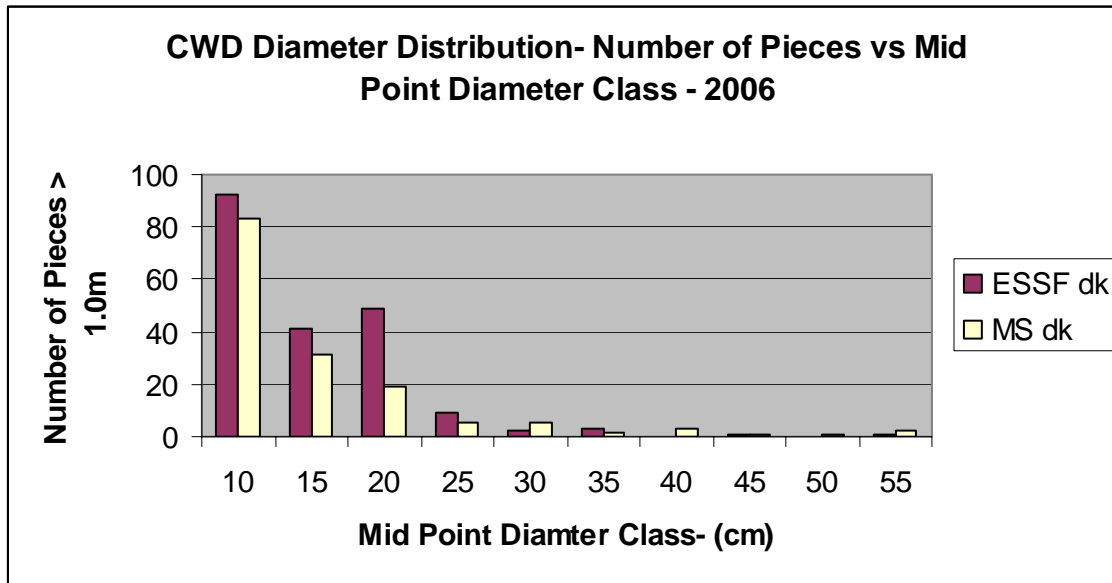
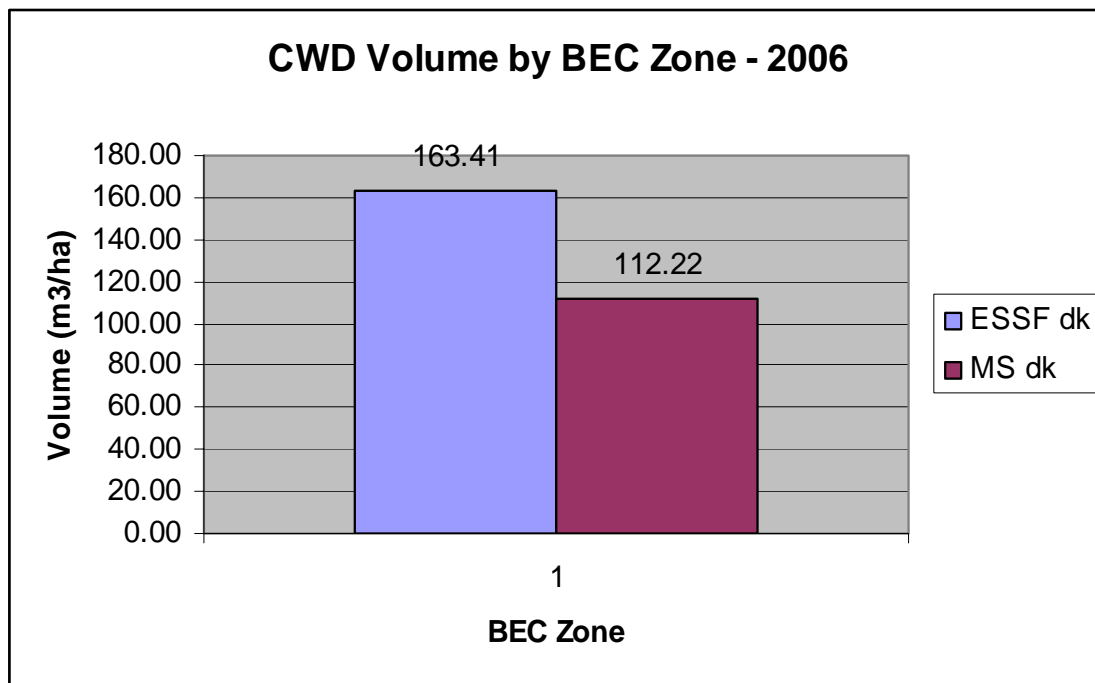


Figure 5. Summary of Canfor CWD Survey Results – Volume by BEC



Measure 1-2.1d Riparian areas in THLB

Target	Canfor Results	BCTS Results
a) 100% compliance with riparian strategy/standards as defined in approved FSP/FDPs b) Riparian ecosystem types with <2000 ha represented in the East Kootenays will be reserved from harvest.	a) 100% compliance- No incidents have occurred that are contrary to the site plans and FSP riparian strategies or standards. b) 100% compliance- No harvesting occurred within rare riparian ecosystems types.	a) 100% compliance- No incidents have occurred that are contrary to the site plans and FSP riparian strategies or standards. b) 100% compliance- No harvesting occurred within rare riparian ecosystems types.

Measure 1-2.1e Shrub areas across the CFLB

Target	DFA Results
Shrub areas greater or equal to baseline levels	Current inventory indicates 34 000 ha (9%) of the DFA's CFLB currently exists in a shrub dominated ecosystem. This is equal to baseline levels.

Measure 1-2.1f Hardwood areas across the CFLB

Target	Canfor Results	BCTS Results
<p>a) 90% of cutblocks with a deciduous component pre-harvest in the THLB will have a deciduous component post-harvest, including mature and regenerating trees</p> <p>b) Track the trend in the NHLB (using updated inventory information)</p>	<p>a) 100% compliance.</p> <p>Post harvest deciduous component is 257%.</p> <p>b) Current inventory indicates 10 800 ha (4%) of the DFA's CFLB currently exists as deciduous/hardwood species. This is equal to baseline levels.</p>	<p>a) 100% compliance</p> <p>b) Current inventory indicates 10 800 ha (4%) of the DFA's CFLB currently exists as deciduous/hardwood species. This is equal to baseline levels.</p>

Background:

Canfor:

Total ha surveyed RG/FG = 2968 ha

Total ha surveyed RG/FG with deciduous component = 1311 ha

Total ha of 2006 blocks with deciduous component from cruise information = 510 ha

BCTS:

Total ha surveyed FG = 417 ha

Total ha surveyed FG with deciduous component = 284

Post harvest % = 68%

Total ha of 2006 logged 367 ha with a deciduous component 86.6 ha from cruise information = 24%.

Measure 1-3.1 Vertebrate Species

The measure reads; "Report recommending vertebrate species for monitoring is developed."

Target	DFA Results
1 (0) – March 2007	Species Accounting System and Monitoring Report completed- Fred Bunnell UBC

Measure 1-3.2 Vertebrate Species populations

The measure reads; Recommended vertebrate species populations remain productive relative to baseline.

Target	DFA Results
TBD: Report out a population baseline by March 2008	In progress

Measure 1-4.1 Parks, reserves, protected areas

The measure reads; "The percentage of forest management activities consistent with the established objectives for parks, reserves, protected areas, biologically significant areas and including areas with specific wildlife management plans.

Target	Canfor Results	BCTS Results
100% compliant	100% compliance- No incidents have occurred that are contrary to the site plans. Site plans and checklists are completed for each block that identifies integrated management considerations.	100% compliance- No incidents have occurred that are contrary to the site plans. Site plans and checklists are completed for each block that identifies integrated management considerations.

Recommendation

Change the wording of the measure and targets from a percentage target to a compliance target where possible. Ie 100% can be changed to 0 ha of forest management activities in non-compliance with established objectives for parks, reserves, protected areas, biologically significant areas and including areas with specific wildlife management plans. This will allow for simplified reporting in the future while maintaining the intent of the target.

Measure 1-5.1 Tree Seed and Cone Regulations

The measure reads; “The percentage of seeds for coniferous species collected and seedlings planted in accordance with the Tree Seed and Cone Regulation of Chief Forester’s Standards for Seed Use.”

Target	Canfor Results	BCTS Results
100% (0)	100% of trees planted in 2006 are in conformance.	100% of trees planted in 2006 are in conformance.

Measure 1-5.2 Natural regeneration

The measure reads; “The percentage of natural regeneration.”

Target	Canfor Results	BCTS Results
Greater than or equal to 8% of area harvested will be restocked by natural regeneration over a 5 year period	In 2006- 48% naturals- (first year of data collection)	BCTS declared 417 ha FG of which 381 ha were not planted. 93% naturals.

Recommendation

Change the reporting formula to the following to simplify data collection:

Formula: $\%PNR = 5 \text{ year avg.} (TSPH - \text{Planted SPH}) / TSPH * 100$

Variables: %PNR- Percentage of natural regen in prescribed areas
TSPH – Total Stems per Hectare in prescribed area (inventory table)
Planted SPH- Total Planted Stems per Hectare in prescribed area (-5% for mortality)

The average TSPH and Planted SPH from Free Growing surveys is used for any given year

Measure 2-1.1 Interim measure, Site index

The current measure reads; “Site index by inventory type group for harvested areas.”

Target	Canfor Results	BCTS Results
Average post harvest site index (at free growing) will not be less than the average pre-harvest site	- 96% (70 of 73) of blocks surveyed in 2006 had an average site post harvest greater than pre-harvest (first year of data collection)	- BCTS blocks declared FG had an average pre harvest SI of 16.5 and post of 19.1

index on harvested blocks	- The average SI post harvest (18m @50years) is greater than the average SI pre-harvest (14m @50years) for blocks surveyed in 2006	
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Recommendation

Discuss alternative measures to evaluate changes to site productivity. Changes in SI on FG blocks is more likely due to changes in SI measurement and inventory typing than anything else.

Measure 2-1.2 Coarse woody Debris

The measure reads; “Amount of Coarse woody debris remaining on harvested areas.”

Target	DFA Results
CWD Targets by BEC consistent with Tembec and Canfor research (See SFMP)	See measure 1-2.1c above.

Measure 2-2.1 Areas converted to non-forest

The measure reads; “Area of THLB converted to non-forest land use through forest management activities.”

Target	DFA Results
Target of 5% (+/-2%) of THLB	Based on TSR 3, the percent area of THLB converted to non-forest land use through forest management activities is 4.6%. See table below

Table 6. THLB Converted to non-forest land use

Feature Type	Reduction percent (%) applied to existing harvested areas	Total area (ha)	Area Excluded	THLB	% of THLB
Access Features		10,575	6,477	-	-
In block Trails	4.5% (SBFEP soil disturbance surveys in 1994/95 + professional judgment)	4,841	2,965	-	-
In block Landings	2.0% (1/4 ha landing per 8 ha harvested – reduced by 1% for overlap with roads)	2,151	1,317	-	-
Totals	Existing access features plus existing trails and landings	17,567	10,759	-	-
				233,873	4.6%

Recommendations

Currently, information on permanent access structures is being quantified for the Invermere TSA through a multi year project which is to be completed by March 2008. The final results of this project will provide an accurate estimate of the area of THLB converted to non-forest land use through forest management activities in the Invermere TSA. The results will be used in the next TSR analysis.

Measure 2-2.2 Roads and Landings

The measure reads; “The percent of cutblock area having roads/landings constructed due to forest management activities as a measure.”

Target	Canfor Results	BCTS Results
Legal limit of <7% of cutblock as per FPPR sec 36	Based on TSR 3, the percent cutblock area having roads/landings is 4.0%. See table below. In 2006- the area converted to non-forest land use is an average of 7.0% for Canfor. This higher than normal percent is relative to the small average cutblock size in 2006 (21.4 ha) due to mountain pine beetle salvage harvesting.	BCTS; Average % was below 7 due to larger block sizes. And efficient layout planning.

Table 7. The percent of Blocks with Roads and Landings

Feature Type	Reduction percent (%) applied to existing harvested areas	Area Excluded	Harvested Area	% of Harvested Area
In block Trails and Roads	4.5% (SBFEP soil disturbance surveys in 1994/95 + professional judgment)	2,965	-	-
In block Landings	2.0% (1/4 ha landing per 8 ha harvested – reduced by 1% for overlap with roads)	1,317	-	-
Totals	Existing access features plus existing trails and landings	4,282	-	-
			107,578	4.0%

Recommendations

Currently, information on permanent access structures is being quantified for the Invermere TSA through a multi year project which is to be completed by March 2008. The final results of this project will provide an accurate estimate of the area of THLB converted to non-forest land use through forest management activities in the Invermere TSA. The results will be used in the next TSR analysis.

Measure 2-2.3 Long-term Detrimental Soil Disturbance.

The measure reads; “The percent of long term detrimental soil disturbance.”

Target	Canfor Results	BCTS Results
1) Landscape: Average 4.5% (+/2%) over all cutblocks over a 5 year period. 2) Stand: For a cutblock, 10% disturbance on high hazard areas and 5% on very high hazard areas as defined in soil conservation guidebook.	1) This information is currently not available as this is the first annual report. This portion of the measure will be reported upon collection of 5 years worth of data. 2) High Hazard Areas = 3.5% Very High Hazard Areas = 4.3% Average of All blocks harvested in 2006= 3.6%	1) This information is currently not available as this is the first annual report. This portion of the measure will be reported upon collection of 5 years worth of data. 2) All BCTS harvested blocks were below the thresholds.

Measure 2-3.1 Regeneration delay period

The measure reads; “Regeneration delay period.”

Target	Canfor Results	BCTS Results
100 % compliant within period specified in FSP by BEC	The Regen Delay Period is 100% compliant and within the time frame specified in the operational plans- FSP and Site Plans.	The Regen Delay Period is 100% compliant and within the time frame specified in the operational plans- FSP and Site Plans.

Measure 2-3.2 Regeneration Standards

The measure reads; “Percentage compliance with regeneration standards set in FSP.”

Target	Canfor Results	BCTS Results
100% compliant	Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans	Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans

Measure 2-3.3 Free growing

The measure reads; “Percentage of area in compliance with free growing requirements.”

Target	Canfor Results	BCTS Results
100% compliant	100% percent of harvested blocks have met the free growing date prior to the late free	100% percent of harvested blocks have met the free growing date prior to the late free

Measure 2-4.1 Landslides

The measure reads; “Number of hectares of landslides resulting from forestry practices.”

Target	Canfor Results	BCTS Results
0 ha in THLB (for slides >0.5 ha in size)	100% compliance- In 2006 no landslide incidents have occurred as a result of harvesting practices.	100% compliance- In 2006 no landslide incidents have occurred as a result of harvesting practices.



Measure 2-5.1 Natural Disturbance Damaging Events

The measure reads; “The percentage of significant detected natural disturbance damaging events in the THLB which have treatment plans prepared and implemented.”

Target	DFA Results
100% of significant events will have treatment plans proposed within first year of detection	The Rocky Mountain Forest District has prepared an Invermere TSA Forest Health Strategy, Feb 14,2007. This plan documents the significant natural disturbance damaging events and strategies for each event.

Current identified natural disturbance events in the Invermere TSA as detailed by the Rocky Mountain Forest District:

Agent/Ha affected and FH Impacts:

- Mountain Pine Beetle - 27,019 ha /tree mortality
- Balsam Bark Beetle - 3,030 ha /tree mortality
- Lw Needle Cast - 1.884 ha /growth loss and potential for mortality in young stems
- Fir Bark Beetle - 944 ha /tree mortality (IBD)

Current Status of Implementation Strategies (if any):

- Mountain Pine Beetle Single Tree Treatment Program in suppression Beetle Management Units
- Active Fir Bark Beetle Lethal Funnel Trap Program in suppression BMUs

Table 8. 1999-2006 Invermere TSA Aerial Overview Survey Results

TABLE 1 - 1999-2006 INVERMERE TSA AERIAL OVERVIEW SURVEY RESULTS				
Type of impact: 1=quality, 2=growth reduction, 3=young tree mortality, 4=mature tree mortality				
Forest Health Factor	Hectares Affected 2006	Cumulative Hectares Affected 1999-06	Type of Impact	% of THLB stands led by host species
Mountain pine beetle	27,019	63,489	4	41
Douglas-fir beetle	944	8,713	4	29
Western balsam bark beetle	3,030	17,651	4	4
Spruce Bark Beetle	180	1,344	4	13
Pine needle cast	0	5,094	2,3	41
Western false hemlock looper	0	2,500	2,3	29
Larch needle cast	1,884	4,084	2,3	7
Serpentine Leaf Miner	326	326	2,3	<1%
Burned*	224	970*	1,3,4	100

*Kootenay Fire Centre recorded 19,000 ha burned in the THLB in 2003

Figure 6. 1999-2006 Invermere TSA Aerial Overview Results of IBM Attack

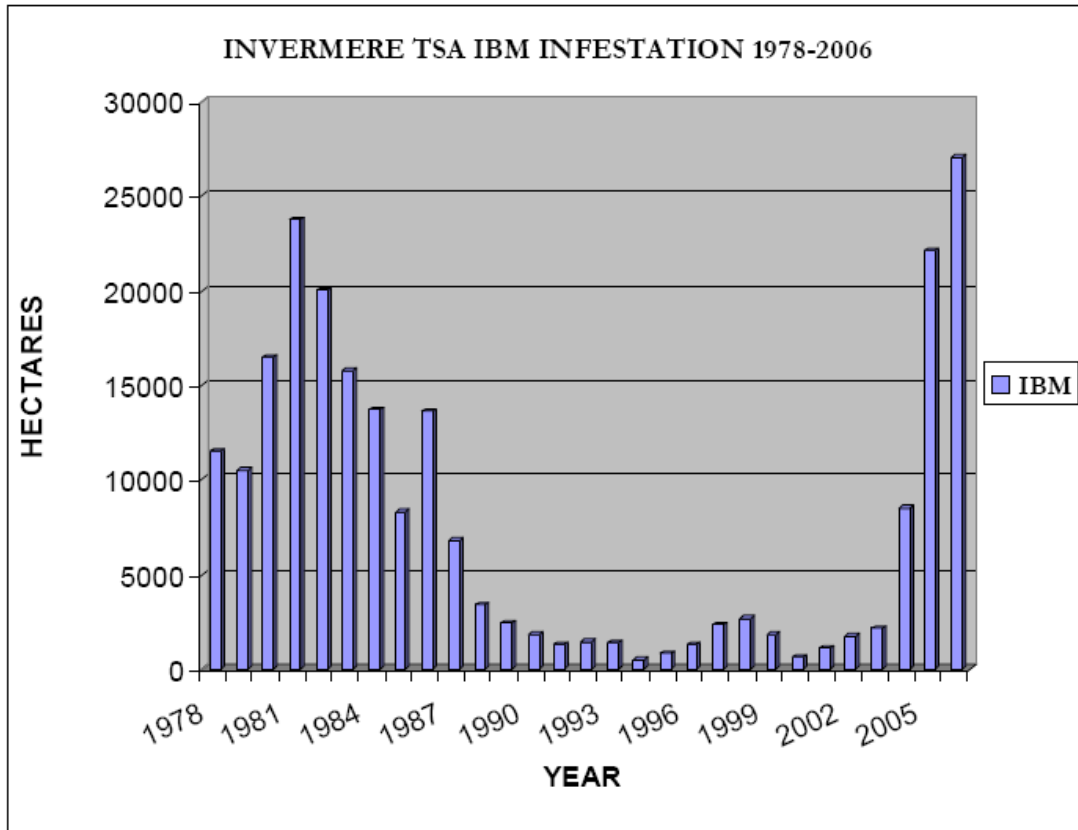
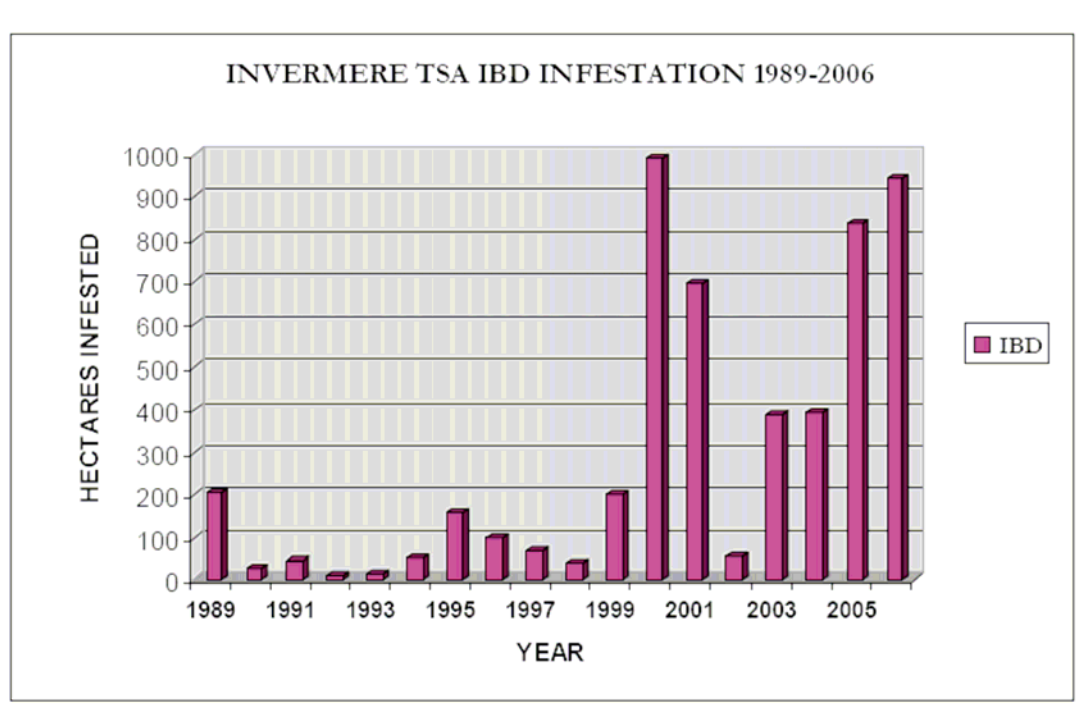


Figure 7. 1999-2006 Invermere TSA Aerial Overview Results of IBD Attack



Measure 3-1.1 Carbon Stored in Trees

The measure reads; “Estimated amount of carbon stored in trees in the DFA’s CFLB (converted from TSR m3/ha.”

Target	DFA Results
Baseline sustained or increasing trend	The frequency of monitoring and analysis of this measure will be at the same time as timber supply review periods. The most recent TSR analysis indicates that the current mass of carbon stored in trees on the TSA is estimated to be 20.6 billion kg’s.

Measure 3-1.2 Estimated Carbon in non-tree Vegetation

The measure reads; “Estimated carbon in non-tree vegetation (above ground biomass and roots).”

Target	DFA Results
TBD – March 2007	A target for this measure has not been developed at this time.

Recommendation

Corporately, Canfor is reviewing the Carbon budget model (CBM) from Canadian Forest Service to determine its applicability for many of Canfor’s operations, including the Radium DFA. Currently, the model is not capable of dealing with carbon stored in non tree vegetation. This component of forecasting is undergoing further study by Canfor. The target for this measure needs to be changed to 2008.

Measure 3-2.1 The forest products carbon pool is maintained or increased

The measure reads; “Plan to plan based on report and process being developed by Canadian Forest Service.”

Target	DFA Results
TBD – March 2007	A target for this measure has not been developed at this time.

Recommendation

Corporately, Canfor is reviewing the Carbon budget model (CBM) from Canadian Forest Service to determine its applicability for many of Canfor’s operations, including the Radium DFA. Currently, the model is not capable of dealing with carbon stored in Forest Products. This component of forecasting is undergoing further study by Canfor. The appropriate measure and target will be determined by April 2008.

Measure 3-3.1a-g Carbon interim measures

The measures are interim measures – Many of the measures that Canfor and BCTS are monitoring will contribute to the knowledge of carbon status and processes.

Target	DFA Results
See related measures: <ul style="list-style-type: none"> • Hardwoods, shrubs 1-2.1 • Area of THLB converted to non-forest land use through forest management activities 2-2.1 • The percent of cutblock area having road/landing construction 2-2.2 • Regeneration delay 2-3.1 • The percent compliance with regeneration standards 2-3.2 • The percent of Area in compliance with free growing measures 2-3.3 	See related measures

4. Economic Values

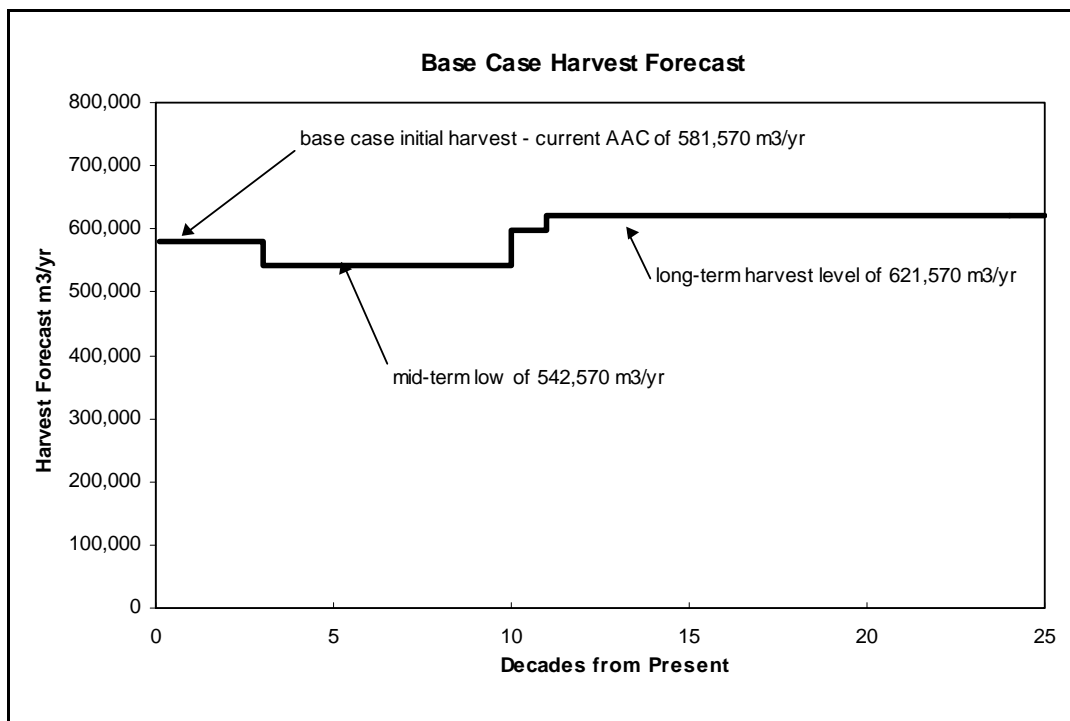
The Radium Sustainable Forest Management Plan included 20 measures to evaluate economical criteria. The following provides specifics of each measure, target and results for both Canfor and BCTS.

Measure 4-1.1 Projected timber supply over time is stable

The Measure reads; “Projected timber supply over time is stable.”

Target	Results
321,094 m ³ (+/- 10%)	The current AAC for the DFA allows 321,094 m ³ /yr (effective November 1, 2005) of harvest volume and is projected to remain stable or increase during the planning horizon (base case scenario). Currently, the AAC for the Invermere TSA, and subsequently reflected for the DFA, has been slightly uplifted to reflect the recent fire and beetle infestation.

Figure 8. TSR 3 Invermere TSA Base Case Harvest Forecast



Measure 4-1.2 Cut Control

The measure reads; “Actual harvest volume is meeting the timber supply allocation within cut control limits.”

Target	Canfor Results	BCTS Results
+/- 10% of AAC over 5 years	See table below. Canfor is within its AAC cut control volume for its cut control period ending Dec 2006. The actual harvest is 9.1% over cut over the 5 year period	Cut Control for BCTS is measured on the basis of sold volumes. For calendar year 2006 CTS sold 62,740 m ³ (85% of AAC) In time a 5 year average on reported out volume will be established.

Table 9. Five Year Cut Control Volume Control – Canfor FL A18979

Calendar Year	2002	2003	2004	2005 ¹	2006	Total
AAC (m3)	231,005	231,005	231,005	228,743	223,317	1,145,075
Timber Cut Under Licence and RP	272,247	284,378	238,792	215,011	226,846	1,237,274
Timber Wasted or Damaged			5,742	3,223	2,902	11,867
Timber Cut w/o Authorization						
Total	272,247	284,378	244,534	218,234	229,748	1,249,141

Measure 4-1.3 Regeneration Standards

The measure reads; “Percentage of harvested area in compliance with regeneration standards set in FSP.”

Target	Canfor Results	BCTS Results
100% compliant	Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans	Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans

Measure 4-2.1 Direct Employment in the Forest Sector

The measure reads; “Employment in each forestry sub-sector locally, regionally and provincially.”

Target	Results
Local – 92 py Regional – 169 py Provincial – 239 py (+/- 10%)	For 2006 the employment numbers projected for the DFA based on actual harvest levels in 2006 are: Local- 159 Regional- 159 Provincial- 225 The actual employment for Canfor and BCTS of its staff and contractors in 2006 is shown in the tables below

Background Info

Local employment statistics used the regional multiplier with the DFA harvest levels. Regional and provincial employment statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (person years per 1000 m3 harvested).
Local/regional = 0.545 PY's/'000m³
Provincial = 0.77 PY's/'000m³ (includes local/regional)

Table 10. Annual average harvests and employment, Invermere TSA 2006

	Canfor Result	BCTS Results
Harvest	Timber volume (m³)	Timber volume (m³)
Allowable Annual Cut (AAC)	223,317	74 049
Annual harvest, 2006	229,748	62,640
Employment	Person-Years (PYs)	Person-Years (PYs)
Harvesting	67	20
Log transport	10	
Road construction & maintenance	5	
Silviculture	7	2
Timber processing	170	28
Total	259	50

Recommendation:

The target for local employment needs to be adjusted to 169 py as the local statistics used the regional multiplier with the DFA harvest levels. The 92 py target was double adjusted for the DFA which is incorrect.

Measure 4-2.2 Direct Income in the Forest Sector

The measure reads; “Income generated from each forestry sub-sector, locally, regionally and provincially.”

Target	Results
Local – \$4,036,000 Regional – \$7,424,905 Provincial – \$10,997,557 (+/-10%)	For 2006 the income numbers projected for the DFA based on actual harvest levels in 2006 are: Local- \$6,988,073 Regional- \$6,988,073 Provincial-\$10,350,535

Background Info

Local income statistics used the regional multiplier with the DFA harvest levels. Regional and provincial income statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (income generated per 1000 m3 harvested).

Invermere TSA – \$ 23,900/000 m³
Provincially - \$35,400/000 m³

Recommendation:

The target for local income needs to be adjusted to \$7,424,905 as the local statistics used the regional multiplier with the DFA harvest levels. The \$4,036,000 target was double adjusted for the DFA which is incorrect.

Measure 4-2.3 Indirect/Induced employment and income

The measure reads; “Indirect/Induced employment and income estimates locally, regionally and provincially.”

Target	DFA Results
Indirect/Induced Employment: Local – 34 py Regional – 62 py Provincial – 264 py	For 2006 the employment and income numbers projected for the DFA based on actual harvest levels in 2006 are: Local- 58 Regional- 58 Provincial-248
Indirect/Induced Income: Local – \$1,063,883 Regional – \$1,957,192 Provincial – \$8,481,167 (+/- 10%)	Local- \$1,842,044 Regional- \$1,842,044 Provincial-\$7,982,192

Background Info

Local statistics used the regional multiplier with the DFA harvest levels. Regional and provincial statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (person years of employment, or income generated per 1000 m3 harvested).

Local/regional = 0.20 PY's/000m³
Provincial = 0.85 PY's/000m³ (includes local/regional)
Invermere TSA – \$ 6,300/000 m³
Provincially - \$27,300/000 m³ (includes local/regional)

Recommendation:

The targets for local indirect/induced employment need to be adjusted to 62 py as the local statistics used the regional multiplier with the DFA harvest levels. The 34 py target was double adjusted for the DFA which is incorrect.

Similarly, the targets for indirect/induced income needs to be adjusted to \$1,957,192 as the local statistics used the regional multiplier with the DFA harvest levels. The \$1,063,883 target was double adjusted for the DFA which is incorrect.

Measure 4-2.4 Local contributions of spending

The measure reads; “The percentage of dollars spent locally from the forest sector in proportion to total expenditures.”

Target	Canfor Results	BCTS Results
Greater than x% (+/- 10%)	Canfor and BCTS are to collect 5-year average dollars spent to establish the baseline dollars. This is the first year in collecting this data. A variance of +/- 10% is based on cut control AAC harvest variations. In 2006 the percentage of dollars spent locally from the forest sector in proportion to total expenditures is: Total Expenditures = \$ 60,384,834.37 Local Expenditures = \$ 32,673,242.19 Percent Local Expenditures = 54%	BCTS spent \$77,043 in the TSA. It is difficult due to the business structure to equate this to a percentage of expenditures.

Recommendation:

BCTS expenditures cannot be directed to a particular geographic area since they openly bid out our work, The recent inter provincial trade agreement further expands the are BCTS must advertise their work. Design a measure in a form that BCTS can evaluate a trend of local expenditures.

Measure 4-2.5 Local Opportunity to Sell Timber

The measure reads; “Opportunities continue to be available for citizens to sell timber to Canfor.”

Target	Results
50% of milling capacity	See Table Below. Canfor provided greater than 50% for citizens to sell timber to its Radium facility.

Table 11. Total Net Production Volume in 2006 for Canfor Radium Sawmill

Source	Volume (m3)	Percent of Total Volume
Canfor’s FL A18979 (including off-grade)	291,685	43.8 %
Purchase Volume (Non-quota wood)	375,221	56.2 %
Total Net Production Volume	666,906	100 %
Total External Sales	84,789	12.8 %

Measure 4-2.6 Corporate Donations

The measure reads; “Amount of corporate donations/sponsors made to the community per year.”

Target	Canfor Results	BCTS
1 List of Donations	Canfor is to collect 3-year average donations/sponsors made to the community per year to establish the baseline dollars. This is the first year in collecting this data. In 2006 the donations/sponsors made to the community is \$32,461.13. See table below	N/A

Table 12. Canfor’s Donations for 2006

2006 Radium Donations Tracker				
Segments = Youth & Education (YE), Community Enhancement (CE), Forestry & Environment (FE), Amateur Sports (AS), Health & Wellness (HW), Other (O), Scholarship/Bursary (SB), Endowments (E)				
Date Requested	Organization	Purpose/Event	Amount	Total For 2006
01-Jan-06	Windermere Valley Minor Hockey		\$150.00	\$150.00
02-Jan-06	Windermere Valley Minor Hockey	Two loads of Firewood for sports fund raising	\$2,460.00	\$2,610.00
01-Jan-06	Blue Lake Forest Education Society		\$500.00	\$3,110.00
01-Jan-06	BC Senior Games		\$250.00	\$3,360.00
01-May-06	Lakers Baseball	Local Team Start up costs	\$250.00	\$3,610.00
01-Jun-06	Literacy Charity Golf Tournament	Local Golf Tournament supporting library	\$200.00	\$3,810.00
07-Jul-06	Volleyball BC	Sponsored local youth athlete	\$200.00	\$4,010.00
07-Jul-06	Alberta Children's Hospital Foundation	Golf Tournament supporting hospital	\$200.00	\$4,210.00
31-Aug-06	Cedar Publishing Corporation	Child Find Magazine Support	\$187.09	\$4,397.09
02-Nov-06	WV Minor Hockey Assoc	Minor Hockey Tournament Program 2006/2007 season	\$50.00	\$4,447.09
15-Dec-06	CV Gymnastics Assoc	Equipment	\$1,139.04	\$5,586.13
28-Dec-06	WV Minor Hockey Assoc	Equipment	\$675.00	\$6,261.13
28-Dec-06	Committee for Safe Home Program	Supplies	\$1,200.00	\$7,461.13
			SUB-TOTAL	\$7,461.13
2006	Community of Invermere	Corporate Donation to Invermere Mt Nelson Athletic Park	\$25,000.00	
			GRAND TOTAL	\$32,461.13

Measure 4-3.1 Fees Paid

The measure reads; “Fees paid by industry to municipal, regional and provincial governments.”

Target	Canfor Results	BCTS Results
100% compliant of paying fees on an annual basis	Canfor is 100% compliant with paying fees to municipal and provincial governments for 2006	N/A

Table 13. Fees paid by Canfor Municipal & Provincial Governments Jan 1 - Dec 31, 2006

<u>Type</u>	<u>Vendor</u>	<u>Total Amount</u>
Provincial Total		\$ 5,513,905.90
Municipal Total		\$ 151,293.37
Grand Total		\$ 5,665,199.27

Measure 4-3.2 Personal income taxes – forest industry relative to total

Target	Results
N/A	This measure, Personal Income taxes-forest industry relative to total, and target were dropped by the PAG group at meeting number 16. No further reporting is required.

Measure 4-4.1 First Nations Economic Opportunities

The measure reads; “Number of formal opportunities for local First Nations to enter into contracts with Licensees.”

Target	Canfor Results	BCTS Results
>=1 opportunity on an annual basis	Target met- See Table below	Target met.

Table 14. Summary of Contracts with Canfor Radium and First Nations 2006

Year	Type of Contract									Total
	Employment	Road Building/Lowbed	Other Volume Purchased	Community/Cultural Support & Donation	Logging	Silviculture/Forestry	Capacity Building	Other Contracts*	Training/Education	
2006	1	1	1	0	0	0	0	2	0	5

*Other contracts includes research/inventory and Archaeological Services

Employment opportunity included an in-house Ktunaxa Development Corporation position for woodlands
 Lowbed contract services are provided to woodlands operations on a regular basis
 Lamb Creek purchase contract for volume from First Nations Non-Replaceable Forest Licence
 Two Eagle Vision Archaeological Services contract for 2006 field season

Measure 4-5.1 Timber Supply Certainty

Target	Results
321,094 m ³ (+/- 10%)	Same as 4-1.1. The current AAC for the DFA allows 321,094 m ³ /yr (effective November 1, 2005) of harvest volume and is projected to remain stable or increase during the planning horizon (base case scenario). Currently, the AAC for the Invermere TSA, and subsequently reflected for the DFA, has been slightly uplifted to reflect the recent fire and beetle infestation.

Recommendation:

The measure and target are the same as measure 4-1.1. The wording of the measure and target should be revised to match measure 4-1.1 or visa versa.

Measure 4-5.2 Economic Sustainability

The measure reads; “The percentage return on capital employed (ROCE) at a primary processing facility or business unit.”

Target	Canfor Results	BCTS Results
ROCE >the percentage set for ROCE for the division. Measured over a two year period	Radium's divisional ROCE percentage was well below the anticipated divisional ROCE for 2006 and was below the corporate average ROCE percentage. Very poor lumber markets in 2006 attributed to poor divisional ROCE. Corporate ROCE was increased with the return of US trade duties in the fall of 2006.	N/A

Recommendation:

Include a measure that is applicable to BCTS.

Measure 4-6.1 Damaging Events or Agents

The measure reads; "Current assessments of damaging events or agents (current status: risk potential) are maintained."

Target	Canfor Results	BCTS Results
1 assessment per damaging event or agent	Damaging Agents detected and addressed in 2006 are outlined in tables below.	BCTS all assessments for SP or silv surveys had a pest assessment.

Table 15. Canfor Assessments Completed in 2006– Forest Health Agent – Mature Forest

<i>Mature Forest Pests</i>					
Pest	Code	Site Plan pre-assessment	Specific Forest Health Assessment	Cruising	Regen or Free Growing Survey
Armillaria root rot	DRA	X			
Douglas- Fir bark beetle	IBD	X	Aerial Survey, Beetle Probe, Recci Survey		
Mountain pine beetle	IBM	X	Aerial Survey, Beetle Probe, Recci Survey		

Table 16. Assessments Completed – Forest Health Agent – Plantations

<i>Plantation Pests</i>					
Pest	Code	Site Plan pre-assessment	Specific Forest Health Assessment	Cruising	Regen or Free Growing Survey
Armillaria root rot	DRA		Pixel Survey		X
Mountain pine beetle	IBM				X
Spruce Beetle	IBS				X
Lodgepole Pine Dwarf Mistletoe	DMP				X
Western Gall Rust	DSG				X
Cooley spruce gall adelgid	IAG				X
Warren's Root collar weevil	IWW				X
Pitch nodule moths	ISP				X
Animal Damage	AD				X
Cattle Damage	AC				X
Squirrel Damage	AS				X
Commander Blister Rust	DSC				X
Snow Ice Damage	NY				X
Tree Damage- Logging	TL				X

Measure 4-6.2 Natural Disturbance Events

The measure reads; “The percentage of significant detected natural disturbances damaging events threatening the THLB which have treatment plans prepared and implemented.”

Target	DFA Results
1 strategy exists per damaging event or agent	See Measure 2-5.1

Recommendation

The measure and target are the same as measure 2-5.1. The wording of the measure and target should be revised to match measure 2-5.1 or visa versa.

Measure 5-1.1 Identification of marketed/commercial non-timber forest resources

The Measure reads; “Identification of marketed/commercial non-timber forest resources in the management unit.”

Target	DFA Results
Develop a list for the management unit – Date: 2007	The Non-Timber Forest Products project has been completed in March 2007. This project outlines the known marketed non-timber economic activities in the DFA.

Meaure 5-1.2 Commercial Non-Timber Forest Values

The measure reads; “Description of potential implications of SFM practices on the amount and quality of marketed/commercial non-timber values.”

Target	DFA Results
1 strategy / identified NTFV – 2007	The Non-Timber Forest Products project has been completed in March 2007. This project outlines the known marketed non-timber economic activities in the DFA and potential impacts to marketed non-timber forest resources and the mitigative measures to maintain those resources.



Recommendation

Measure 5-1.1 and Measure 5-1.2 are process measures that have been achieved in 2007. These measures can now be combined into one measure and target for the DFA that attempts to manage and sustain commercial non-timber forest products.

Measure 6-1.1 Local Employment by Economic Sector

The measure reads; “Employment supported by each sector of the local economy (actual and percentage of total employment).”

Target	DFA Results
Local Forestry Average Annual Employment– 263 person years and 19% of total employment sectors (+/- 10%) Report out on other sectors	Canfor and BCTS combined employment for 2006 is 309 person years which is above the target average annual employment. The total employment compared to other sectors was generated during the last TSR 3 completed in 2004. The next census data release on employment by Stats Canada is March 4, 2008

Table 17. Canfor Annual Average harvests and employment, Invermere TSA 2006

	Result
Harvest	Timber volume (m³)
Allowable Annual Cut (AAC)	223,317
Annual harvest, 2006	229,748
Employment	Person-Years (PYs)
Harvesting	67
Log transport	10
Road construction & maintenance	5
Silviculture	7
Timber processing	170
Total	259

Table 18. BCTS Annual Average Harvests and Employment, 2006

	Result
Harvest	Timber volume (m³)
Allowable Annual Cut (AAC)	74 049
Annual harvest, 2006	62740
Employment	Person-Years (PYs)
Harvesting, planning & administration, log transport, and road construction & maintenance	20
Silviculture	2
Timber processing	28
Total	50

Figure 9. Employment Sector Invermere TSA based on 2000 census.

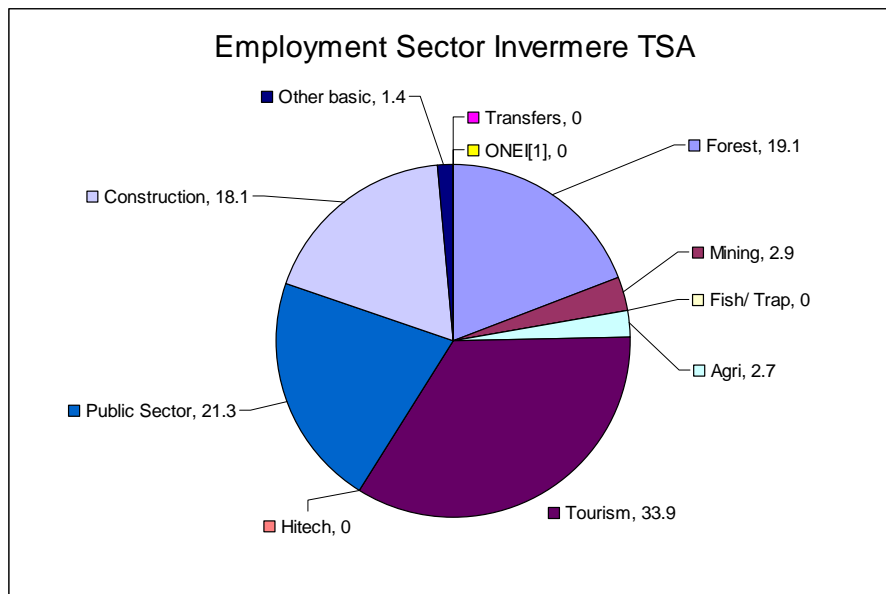


Table 19. Employment and Employment Income Distribution (% share) for Invermere TSA

	Forest	Mining	Fish/ trap	Agri	Tour- ism	Hi tech	Public sector	Const- ruction	Other basic	Trans- fers	ONEI ²	Total ³
2000 Employment income	18.9	1.9	0	0.8	15.7	0	18.7	13.8	0.7	13.5	15.9	100
2000 Employment	19.1	2.9	0	2.7	33.9	0	21.3	18.1	1.4	-	-	100
1995 Employment	19.7	2.9	0	3.7	35.3	0	21.7	14.1	2.6	-	-	100

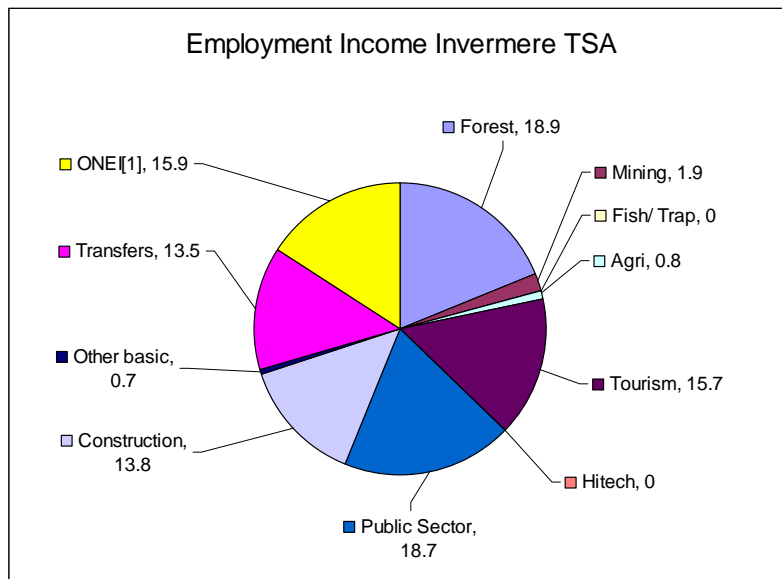
Source: BC Stats

Measure 6-1.2 Income Sources of the Local Economy

The measure reads; “contribution of income sources from each sector of the local economy (actual and percentage of total income).”

Target	DFA Results
Average Local Forestry Annual Income– greater than \$48 700 and 19% of total income sources (+/- 10%) Report out on other sectors	TSR3 was completed in 2005 and it has outlined the contribution of income supported by each sector of the local economy. The next census data release on income and earnings by Stats Canada is Thursday, May 1, 2008

Figure 10. Employment Income Invermere TSA



² Other non-employment income (ONEI), mainly investment and pension income

³ Totals do not add up to 100% due to rounding.

Table 20. Invermere TSA Avg. Income Stats 2001 Census

Industry	Income	Indirect Multiplier	Indirect & Induced Multiplier
Logging	\$44 642	1.18	1.27
Saw milling	\$42 555	1.29	1.43
Pulp manufacturing	\$58 995	1.59	1.62
Coal mining	\$55 176	1.31	1.39
Government services	\$42 258	1.12	1.21
Accommodation services	\$20 461	1.08	1.13
All industries average	\$31 899	-	-

5. Social Values

The Radium Sustainable Forest Management Plan included 35 measures to evaluate economical criteria. The following provides specifics of each measure, target and results for both Canfor and BCTS.

Measure 7-1.1 Stakeholder analysis

The measure reads; “Implementation and annual update of a comprehensive stakeholder analysis of tenure holders, residents and interested parties.”

Target	Canfor Results	BCTS Results
Annual Updates	Canfor maintains a stakeholder database that is current to March 8, 2007.	BCTS maintains a stakeholder database.

Measure 7-1.2 Communication / participation plan

The measure reads, “Development and implementation of a communication / participation plan, with early input from a range of stakeholder representatives.”

Target	DFA Results
1 Plan – Date: 2006	A project was awarded, however the contractor did not meet specifications and therefore the contract was subsequently cancelled in 2007. The project will be re-tendered later in 2007.

Measure 7-1.3 Satisfaction of the Public Advisory Group

The measure reads; “The existence of an effective public advisory group indicated by the satisfaction of advisory group members.”

Target	DFA Results
Satisfaction Survey – average score > 3.5	PAG Satisfaction Surveys were conducted by the Facilitator on Oct 2005 and March 2006 with a combined average score of 4.1 and 4.3 respectively. Participants ranked several questions from 1=very poor, 2=poor, 3=average, 4= good and 5 = very good. These results show a slight increase in the PAG satisfaction over the duration of the PAG meetings.



Measure 7-1.4 Public Process

The measure reads; “Conduct of an open public process prior to Government approval of operational plans, or any major amendments.”

Target	Canfor Results	BCTS Results
100% compliant with legal advertising & internal SOP	100% Compliant. In 2006, Canfor completed 1 Forest Stewardship Plan and 3 amendments. All of these were 100% compliant with legal advertising requirements and internal operating procedures.	100% compliant. BCTS completed a FSP and 1 FDP amendment.

Measure 7-1.5 Satisfaction of Reciprocal Knowledge Exchange

The measure reads; “Documentation of open and transparent reciprocal exchange of social values/opinions, their influence on decisions, and participant satisfaction.”

Target	DFA Results
1 Process	Canfor and BCTS have a process in place to refer operational plans to stakeholders and First Nations through letter mailings, face to face meetings and written replies to comments received.

Measure 7-2.1 Public Communications

The measure reads; “The number and type of communication, extension and planning activities with the public annually about forest management plans (SFMP and operational plans) and operations.”

Target	DFA Results
Minimum 5	Achieved. See table below:

Table 21. Number and type of communication activities with the public in 2006

Type of Communication, Extension or Planning Activity-2006	Details	Number
Public Advisory Group Meetings	Jan 24, Feb 13, March 28, June 12, Aug 28, Nov 13 2006	6
Ranchers Meeting	Review 2007 Planned Harvest and Range Barriers- Ranching community and MoF- Nov 17/06	1
Ranchers Field Tour	Field review to verify natural Range barriers and establish new barriers- Feldman’s, Zhenders, Ministry of Forests (Judy Kohorst, Phil Burke)etc.	1
Ministry of Forests Tour	Timber Working Group special sawmill tour- review Canfor needs and profiles- Nov/06	1
SFMP Criteria, Indicator and Monitor Initiatives Presentation	Review with Parks, ENGO’s, Nature Trust, Columbia Basin Trust, etc meeting at Radium Resort.	1
Forestry Tours-	Sawmill and Woodlands Operations (harvesting, silviculture, planning)	5
Newspaper Articles	Sustainable Forest Management Progress Article- March 10,2006 Pioneer.	1
Grand Total		16

Measure 7-2.2 Demonstration of Reciprocal Knowledge Exchange

The measure reads; “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
Minimum of 1 example of reciprocal knowledge exchange on an annual basis (increasing trend)	The Public Advisory Group process and input is an example in 2006 that shows exchange of information and knowledge on forest management issues and practices. The details are captured in the PAG meeting minutes and PAG satisfaction surveys. PAG members have shown an increased knowledge of forestry terminology, practices and results.

Recommendation

- 1) Implement the components of the communication participation plan in 2007.
- 2) Combine this measure to include First Nations as outlined in Measure 8-3.1

Measure 7-3.1 Adaptive Management Strategy

The measure reads; “Adaptive Management strategy is developed, documented and acted upon that includes: and information management system; a forecasting plan; a monitoring plan; and a reporting/analysis plan.”

Target	Results
1 interim target will be monitoring analysis, and reporting as part of SFM plan 1 full strategy to be developed by 2007	Canfor and BCTS have an adaptive management process within their respective environmental management systems (FMS/EMS). Forecasting has been completed and a monitoring plan has been developed for the SFMP. An information management system exists and is updated regularly. Canfor and BCTS currently uses GENUS database. Analysis and reporting occur in accordance with the monitoring plans.

Recommendation:

The measure and target can be dropped from the SFMP. Adaptive management process have been developed and implemented within the Environmental Management Systems and Sustainable Forest Management Plan.

Measure 8-1.1 Affected First Nations

The measure reads; “Affected First Nations are provided the opportunity to comment on forest stewardship plans and the SFM Plan,”

Target	DFA Results
Minimum 1 opportunity per plan	The Radium DFA has met the minimum target specified. SFMP- Opportunity to participate and comment on SFMP provided in 2006 FSP- Opportunity provided to all First Nations to comment on FSP and amendments in 2006.

Recommendation:

Canfor has developed a CORE set of Indicators and measures for Criterion 8-First Nations. The PAG should review the CORE Indicators and review opportunities to streamline the measures in the current SFM plan.

Measure 8-1.2 Unresolved First Nations Treaty or Rights Disputes

The measure reads; “Absence of unresolved disputes on legally established treaty or customary use rights established through written documents related to potential conflicts.”

Target	DFA Results
100% absence of unresolved issues	Currently there are no unresolved disputes on legally established treaty or customary use rights established through written documents related to potential conflicts for either Canfor or BCTS.

Measure 8-1.3 Dispute resolution regarding First Nation’s rights

The measure reads; “Appropriate mechanisms established through written documents / memoranda on the methods and procedures to resolve disputes over treaty and customary rights.”

Target	Canfor Results	BCTS Results
I process by end of 2006	A draft ‘Working Protocol Agreement’ has been completed between Canfor and the Ktunaxa Tribal Council. Current negotiations on the agreement are ongoing. The agreement includes a dispute resolution mechanism. The agreement is expected to be finalized in 2007.	BCTS/MOF have completed a draft protocol agreement with Shuswap and working on one with KKTC

Measure 8-2.1 Treaty Rights and Strategies

The measure reads; “The participation by Canfor and BCTS in implementation of treaty and use rights strategies.”

Target	DFA Results
100% (0) Compliance	100% compliant.

A draft ‘Working Protocol Agreement’ has been completed between Canfor and the Ktunaxa Tribal Council. Current negotiations on the agreement are ongoing. The agreement is expected to be finalized in 2007.

In 2006, Canfor or BCTS implemented Archeological Impact Assessments during operational planning to manage and protect archeological resources. No further opportunities were apparent in 2006 to participate in implementation of treaty and use rights strategies. However, once the Working Protocol Agreement is finalized, traditional use strategies may be implemented where applicable. Treaty negotiations are currently ongoing between the Ktunaxa and Provincial Government.

Measure 8-2.2 First Nation’s Access to Forest Resources

The measure reads; “The percentage success in implementing and monitoring management practices related to not impeding access to identified resources for First Nations through strategies articulated in Forest Stewardship Plans (FSP) and/or First Nations/Licensee Agreements.”

Target	DFA Results
100% (-15%)	Management practices in Canfor and BCTS have been 100% compliant with existing Forest Stewardship Plans and operational plans with regard to strategies to not impede access to identified resources for First Nations. No non-compliance or non conformance issues have been identified.

Recommendation

Consider clarifying the formula used to calculate the current condition for measure 8-2.2 as established practices and implemented practices are not clearly defined. The intent of the established practices is to mean the results or strategies specified in the FSP, First Nations Agreements or Contractual Agreements. This should simply be stated as such in the measure.

An alternative is to change the measure and targets from a percentage measure/target to a compliance measure/target where possible. i.e 100% can be changed to 0 compliance or conformance issues with regard to results or strategies outlined in Forest Stewardship Plans, First Nations



Agreements or Contractual Agreements. This will allow for simplified reporting and clarity of the measure in the future while maintaining the intent of the measure and target.

Measure 8-2.3 First Nations Satisfaction with Access to Forest Resources

The measure reads; “Level of satisfaction with access to forest resources is maintained and/or enhanced relative to baseline status.”

Target	Results
Satisfaction is maintained at baseline levels with trend increasing over time	Canfor nor BCTS has not received any negative responses or complaints from First Nation with regards to access to forest resources. 100% compliance with results and strategies outlined in FSP.

Recommendation:

The measure and target are similar to measure 7-1.5. The wording of the measure and target could be revised to match measure 7-1.5 and include First Nations interest and satisfaction.

Measure 8-3.1 Demonstration of knowledge exchange

The measure reads; “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
Minimum of 1 example of knowledge exchange on an annual basis (increasing trend)	Two examples in 2006 show exchange of information and knowledge on forest management issues and practices. The details are captured in the FSP review and comment package for First Nations and in the draft documents produced for the “Working Protocol Agreement”.

Table 22. Number and type of communication activities with First Nations in 2006

Type of Communication, Extension or Planning Activity-2006	Details	Number
Canfor		
FSP Cultural Heritage Result or Strategy Development	5 meetings between Nov 2004 to Feb 2006 with various First Nations Bands and Councils	5
Working Protocol Agreement	5 meetings in 2006 to develop a Working Protocol Agreement- required understanding and knowledge exchange of First Nations values and interests.	5
BCTS		
FSP Cultural Heritage Result or Strategy Development	2 meetings between Nov 2004 to Feb 2006 with various First Nations Bands and Councils	2
Working Protocol Agreement	2 meetings in 2006 to develop a Working Protocol Agreement- required understanding and knowledge exchange of First Nations values and interests.	2
Grand Total		14

Recommendation:

The measure and target are similar to measure 7-2.2. The wording of the measure and target could be revised to match measure 7-2.2 and include First Nations knowledge exchange.

Measure 8-3.2 First Nations Cultural Values

The measure reads; “Forest management plans demonstrate consideration and accommodation of identified First Nations cultural issues by protecting or enhancing sensitive areas/features.”

Target	Canfor Results	BCTS Results
100% of forest management plans include strategies to accommodate culturally sensitive areas	Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2006. Number of blocks with AIA's Completed = 15 Number of blocks compliant with Site Plan Strategies for AIA concerns = 15	Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2006. Number of blocks with AIA's Completed = 6 Number of blocks compliant with Site Plan Strategies for AIA concerns = 6

Canfor has developed a result and strategy in its approved Forest Stewardship Plan to address First Nations culturally sensitive areas or features.

The Invermere TSA, and the DFA, has been subject to archaeological overview assessments involving aerial photo analysis, as well as the application of predictive models derived from the archaeological record to delineate GIS-based polygons where significant archaeological deposits or features might be present (archaeological potential mapping) (c.f. Choquette 2000). Where forestry developments are proposed within these polygons, archaeological assessments are completed to ascertain the presence, condition and character of any archaeological resources that may be present. These assessments take the form of Archaeological Impact Assessment (AIA) which involved intensive examination including test excavations by a team of archaeologists.

The results of AIA's are incorporated into operational plans and harvest strategies. Reserves or winter harvesting practices, for example, are often prescribed to protect archaeological resources that occur on a particular site.

Recommendation

An alternative is to change the measure and targets from a percentage measure/target to a compliance measure/target where possible. Ie 100% can be changed to 0 compliance or conformance issues with regard to results or strategies outlined in Forest Stewardship Plans, First Nations Agreements or Contractual Agreements. This will allow for simplified reporting and clarity of the measure in the future while maintaining the intent of the measure and target.

Measure 8-3.3 First Nations interests in Non-Timber Forest Products

The measure reads “Forest management plans demonstrate consideration and accommodation of First Nations' rights and interests in known Non-Timber Forest Products (NTFPs).”

Target	DFA Results
100% of forest management plans include strategies to accommodate rights and interests in known NTFP	Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2006 with known Non Timber Forest Products. A Non Timber Forest Products plan has been completed as a FIA project in 2006/2007. The final plan was provided to Canfor on March 31, 2007.



Measure 8-4.1 First Nation Communication

The measure reads; “Accessibility of plans, maps, and/or visual simulations showing baseline cultural uses of local forest resources.”

Target	Results
100% of areas	<p>Canfor and BCTS had limited access in 2006 to plans and maps that show baseline cultural uses of local forest resources. Archeological Overview Mapping has been provided for use by the licensees.</p> <p>Canfor's Draft Working Protocol Agreement outlines the commitments to share baseline cultural information. The agreement will be finalized in 2007.</p>

Measure 8-4.2 Communication to First Nations

The measure reads; "Accessibility of current plans, maps, and/or visual simulations prior to government approval that outline logging details such as cutting areas, road construction and include temporal aspects."

Target	Canfor Results	BCTS Results
100% of plans and maps are available	<p>All plans have been made accessible to First Nations prior to government approval. 100% compliant. In 2006, Canfor completed 1 Forest Stewardship Plan and 3 amendments. All of these were 100% compliant with legal advertising requirements and internal operating procedures.</p> <p>In addition, in 2007 Canfor has reviewed detailed maps outlining 2007 planned cutblocks, roads and single load harvesting areas at meetings with the local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council).</p>	<p>100 % Compliant. BCTS completed one meeting with Shuswap and KKTC as well as two referrals. Additionally, BCTS has completed referral of 2007 harvesting.</p>

Measure 8-4.3 First Nations Culturally Appropriate Communications

The measure reads; "Degree of meaningful First Nations participation enabled through culturally appropriate opportunities for inclusive participation."

Target	Canfor Results	BCTS Results
100% compliant with legal # and type of events	<p>All plans have been made accessible to First Nations prior to government approval. 100% compliant. In 2006, Canfor completed 1 Forest Stewardship Plan and 3 amendments. All of these were 100% compliant with legal advertising requirements and internal operating procedures.</p> <p>In addition, in 2007 Canfor has reviewed detailed maps outlining 2007 planned cutblocks, roads and single load harvesting areas at meetings with the local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council).</p>	<p>100% compliant. BCTS completed referrals of an FDP amendment and FSP.</p>

Table 23. Referrals to First Nations by Canfor and BCTS

Type of Event-2006	Details	Legally Required	Number
Canfor			
FSP Cultural Heritage Result or Strategy Development	5 meetings between Nov 2004 to Feb 2006 with various First Nations Bands and Councils	No	5
FSP and FSP Amendment- 60 day review and comment period	1 FSP and 3 amendments in 2006 each consisting of face to face meetings with local	Yes	4

Type of Event-2006	Details	Legally Required	Number
	First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council).		
Working Protocol Agreement	5 meetings in 2006 to develop a Working Protocol Agreement- required understanding and knowledge exchange of First Nations values and interests.	No	5
BCTS			
FSP Cultural Heritage Result or Strategy Development	2 meetings between Nov 2004 to Feb 2006 with various First Nations Bands and Councils	No	2
FSP and FSP Amendment- 60 day review and comment period	Amendments in 2006 consisted of two face to face meetings with local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council).	Yes	2
Working Protocol Agreement	A meeting in 2006 to develop a Working Protocol Agreement- required understanding and knowledge exchange of First Nations values and interests.	No	1
Grand Total			19

Measure 8-4.4 First Nation's Understand the Resource Plan

The measure reads; "Degree of First Nations comprehension of management plan and monitoring information."

Target	Results
Minimum of 1 example of comprehension of a management plan on an annual basis (increasing trend)	For each example noted in measure 8-4.3, First Nations indicated a good understanding and comprehension of the events. This is particularly evident in the FSP Amendments completed- Detailed information can be found on the operational files.

Measure 9-1.1 Recreation Inventory

The measure reads; "An inventory of interpretive forest sites, recreation sites, recreation trails and features will be made."

Target	DFA Results
Maintain database as required	A Database is maintained that identifies interpretive forest sites, recreation sites, recreation trails and features as well as their associated management objectives. These features are also spatially identified.

Measure 9-1.2 Forest activities and Recreation sites and trails

The measure reads; "Existing interpretive forest sites, recreation sites and recreation trails and their associated objectives, as identified in Measure 9.1.1, will be maintained to their current condition following forestry activities in the area."

Target	DFA Results
100% compliant	100% compliance- No non-compliance or non-conformance issues have been recorded in 2006 to the site plans and recreation strategies or standards.

Recommendation:

Change the wording of the measure and targets from a percentage target to a compliance target where possible. If 100% can be changed to 0 non-compliance or non-conformance with established interpretive forest sites, recreation sites and recreation trails and their associated objectives, as identified in Measure 9.1.1, will be maintained to their current condition following forestry activities in the area. This will allow for simplified reporting in the future while maintaining the intent of the target.



Measure 9-1.3 Recreation Management Strategy

The measure reads; “Encourage and participate in the development of a strategy to balance primitive, semi-primitive and developed recreation opportunities (and associated quality of experience).”

Target	DFA Results
Encourage & participate in Recreation / Access planning	Currently, there is no process in place for either Canfor or BCTS to participate in the development of a strategy to balance primitive, semi-primitive and developed recreation opportunities. Canfor and BCTS will discuss this opportunity with the appropriate provincial government in 2007. Canfor maintains access to 1872 km of roads in its operating area. Access barriers are established on 5 roads as shown in its FSP.

Measure 9-2.1 Visual Quality Objectives

The measure reads; “The percentage that forest management complies with existing Visual Quality Objectives (VQO’s) or other visual management approaches established by the BC Ministry of Forests for the area.”

Target	Canfor Results	BCTS Results
100% compliance	100% compliance- No non-compliance or non-conformance issues have been recorded in 2006 to the site plans and VQO strategies or standards.	BCTS did not have any blocks in scenic areas.

Table 24. Hectares Harvested in 2006 Compliant with RMFD VQO Objectives

Visual Quality Objective	Number of Hectares Harvested within VQO	Compliance with VQO
Preservation	0	N/A
Retention	0	N/A
Partial Retention	37.9	37.9
Modification	14.9	14.9
TOTAL	52.8	52.8

Measure 9-2.2 Visual Stewardship

The measure reads; “In areas outside established VQOs but in community viewsheds or major travel corridors to recreation use areas, demonstration of visible stewardship (i.e. explanatory signage, high standards of clean-up along roadsides, landscape design procedures, and modified harvesting procedures)”

Target	Canfor Results	BCTS Results
Demonstration of appropriate practices to manage localized visuals. Documentation of mechanism.	No non-compliance or non-conformance issues have been recorded in 2006 to the site plans and VQO strategies or standards. Site plans in the Dunbar-Templeton landscape unit have demonstrated appropriate visual management strategies.	BCTS did not have any blocks in scenic areas.

Table 25. Hectares Harvested in 2006 Compliant with Canfor VQO Objectives (non-legal)

Visual Quality Objective	Number of Hectares Harvested within VQO	Compliance with VQO
Preservation	4.5	4.5
Retention	0	N/A
Partial Retention	22.9	22.9
Modification	0	N/A
TOTAL	27.4	27.4

Measure 9-3.1 New unique or significant places.

The measure reads; “Identify and track existing or new unique or significant places and features and protected areas.”

Target	Canfor Results	BCTS Results
1 list/database	A list and database is established and maintained that quantifies and tracks existing or new unique sites, features and protected areas. The number of sites by type is identified in the table below.	East Kootenay data centre

Table 26. Canfor summary of Unique site, features and protected areas

Description	Number or Location in DFA	Management Practices
Large Scale Spatial Coverages		
AOA polygons	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.2.10
RMA attributes	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.2.4
Fisheries sensitive watershed	Palliser Landscape Unit- Palliser River	Management practices are contained within the FSP section 6.1.2.6
Community and Domestic watersheds	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.2.5 and 6.1.1.6
High Conservation Value Forest	Scattered throughout DFA	Management practices are contained within SFMP appendix 1.8
Mature management areas	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.1.2
Old growth management areas	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.1.2
Water- Consumptive use points of diversion	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.1.6
Visual landscape Inventory	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.3.5
Caribou Habitat areas	South end of DFA	Management practices are contained within the FSP section 6.1.1.3
Grizzly bear Habitat	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.1.4
Ungulate Winter Range	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.3.3
Wildlife Habitat areas	Scattered throughout DFA	Management practices are contained within the FSP section 6.1.3.2
Wildlife Tree Patches	Scattered throughout DFA – Total # 436	Reserved from Harvest

Point Features		
Historic Cabins	6	Reserved from Harvest
Known Den Sites	9	Reserved from Harvest
Historic Features	4	Reserved from Harvest
Animal Licks or Rubs	8	Reserved from Harvest
Important Nest Sites eg Goshawk	10	Reserved from Harvest
Rare Plant Species	1	Reserved from Harvest
Animal Wallows	2	Reserved from Harvest

Measure 9-3.2 Special Sites and Protected Areas

The measure reads; “Quantify area/number of special sites and protected areas under management practices to protect features and values”

Target	Results
1 description per unique site or feature	A list and database is established and maintained that describes the strategies to maintain the values for existing or new unique sites, features and protected areas. See Table Above

Recommendation:

Now that the targets for measure 9-3.2 and 9-3.1 have been achieved, the two measures could be streamlined into one measure that is similar to measure 9-1.2. A suggested measure could be ‘Existing unique sites, features and protected areas and their associated objectives, will be managed according to their associated management strategies during primary forest activities in the area’. The target could be ‘Zero non-conformance or non-compliance with management strategies’



Measure 9-4.1 Safety Policies

The measure reads; “Written safety policies in place and full implementation is documented”

Target	Canfor Results	BCTS Results
1 policy – in place by July 2006	A divisional and corporate safety policy is in place and it has been administered to all workers.	A divisional and corporate safety policy is in place and it has been administered to all workers.

Measure 9-4.2 Safety incident occurrence

The measure reads; Safety incident occurrence and reasons documented and summarized.

Target	Canfor Results	BCTS Results
One Annual summary of incidents/year	See Below	BCTS staff did not incur an incident last year.

Figure 11. Canfor Staff Health and Safety Statistics

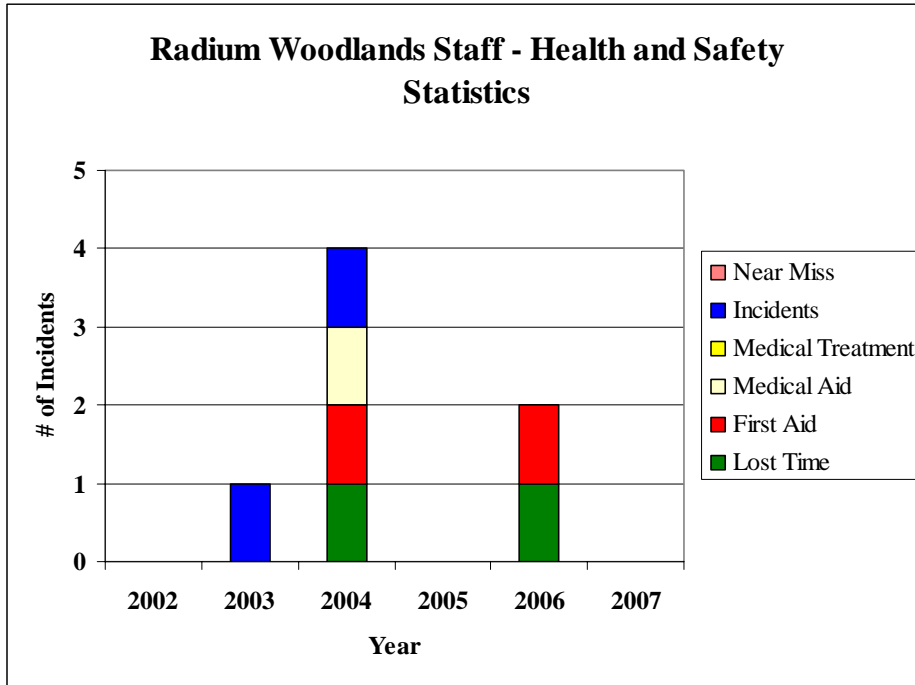


Figure 12. Canfor Contractors Health and Safety Statistics

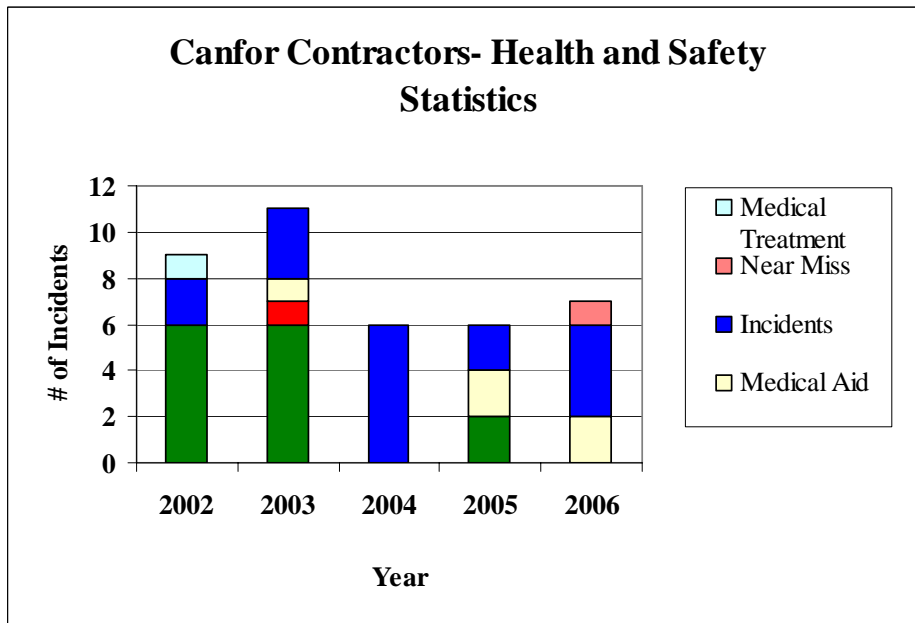


Figure 13. Canfor 2006 Road Safety Audits

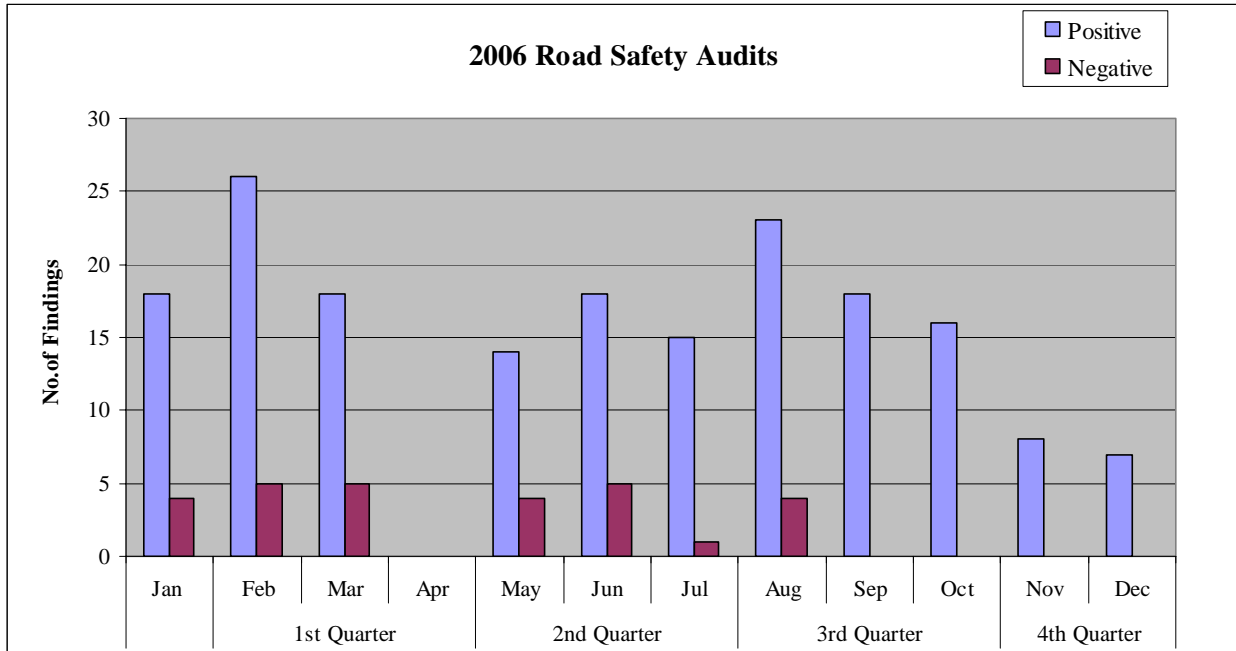
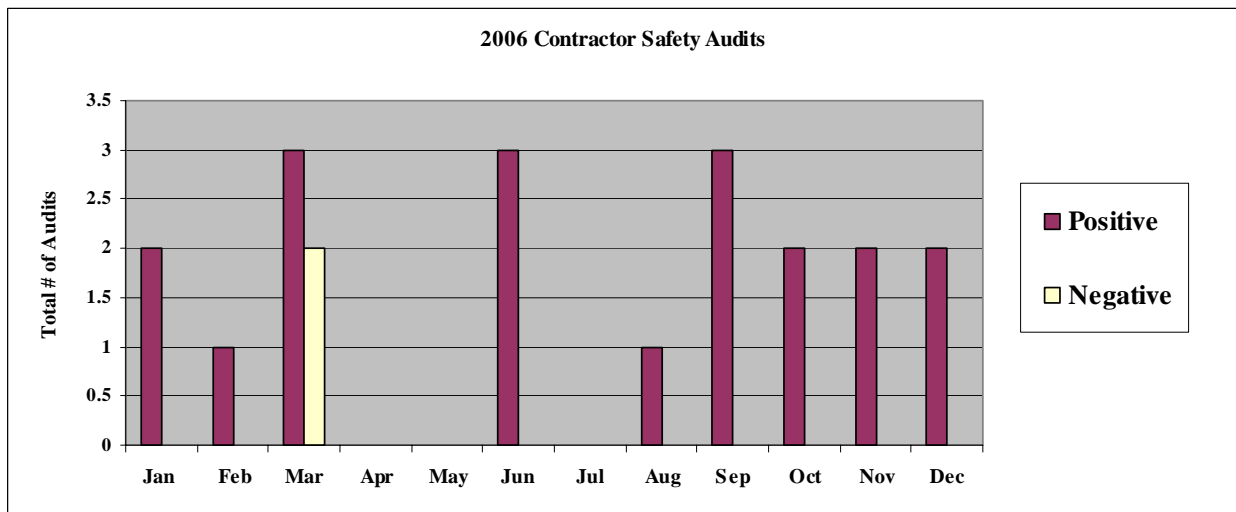


Figure 14. Canfor 2006 Contractor Safety Audits



Measure 9-4.3 Safety Incidences

The measure reads; “Number a safety incidences occurring in the bush related to forest management practices (i.e. not related to machinery or human error) decline relative to baseline.”

Target	Canfor Results	BCTS Results
Maintain or improve safety record relative to baseline	<p>Safety incidents for woodlands staff has decreased from a baseline average of 0.4 incidents since 2002 to 0 in 2006.</p> <p>Safety incidents for contractors have increased slightly in 2006 to 4 incidents relative to an average baseline of 3.4 incidents in since 2002.</p>	BCTS had no incidents in 2005 or 2006

Measure 9-5.1 Hydrological Assessments

The measure reads; “Hydrological Assessments are completed and regularly updated by a Qualified Registered Professional (QRP) in consumptive use watersheds.”

Target	Canfor Results	BCTS Results
Operational plans follow the recommendations in the Hydrological Assessment and if indicated, Channel Assessments and/or Drainage Plans are completed by a QRP	The number of cutblocks within Domestic or Community Watersheds in 2006 = 5 All cutblocks within Domestic or Community Watersheds are 100% compliant with the requirements of site plans which have incorporated recommendations from hydrological assessments. No non-compliance or non-conformances were recorded in 2006 with regard to site plan commitments and water.	BCTS had no blocks in domestic or community watersheds

Measure 9-5.2 Riparian Management

The Measure reads; “Percent of primary forest activities consistent with riparian management strategies for reserve and management zones specified in a FSP.”

Target	DFA Results
100% compliant with FSP riparian strategies	All cutblocks are 100% compliant with the requirements of site plans which have incorporated riparian management strategies as required by the Forest Stewardship Plan. No non-compliance or non-conformances were recorded in 2006 with regard to site plan commitments and riparian strategies.

Recommendation

Change the targets from a percentage target to a compliance target where possible. i.e. 100% can be changed to 0 non-compliance or non-conformances with site plan and Forest Stewardship Plan riparian management strategies. This will allow for simplified reporting in the future while maintaining the intent of the measure and target.



Measure 9-5.3 Stream crossings

The measure reads; “Stream crossings are established and maintained according to the requirements for each stream class.”

Target	DFA Results
100% compliance with stream crossing requirements	All stream crossings are 100% compliant with the requirements of road permits and site plans which have incorporated riparian management strategies as required by the Forest Stewardship Plan. No non-compliance or non-conformances were recorded in 2006 with regard to plan commitments and riparian strategies.

Recommendation

Change the targets from a percentage target to a compliance target where possible. i.e. 100% can be changed to 0 non-compliance or non-conformances with road permits, site plans and Forest Stewardship Plan riparian management strategies. This will allow for simplified reporting in the future while maintaining the intent of the measure and target.

6. Summary of Recommendations

The following table of recommendations are an integral part of the continual improvement process and will be considered by the Radium Public Advisory group.

#	Measure	Recommendation
<u>1</u>	<u>Measure 1-1.1 Ecosystem Representation</u>	<p>Change the targets from a percentage target to a compliance target where possible i.e. 100% can be changed to 0 ha harvested in rare ecosystem clusters. This will allow for simplified reporting in the future while maintaining the intent of the target.</p> <p>Adjust wording within the target to be consistent with the ecosystem tables; 25% of common ecosystem clusters ...should be “low representation ecosystem groups”.</p>
<u>2</u>	<u>Measure 1-4.1 Parks, reserves, protected areas</u>	<p>Change the wording of the measure and targets from a percentage target to a compliance target where possible. Ie 100% can be changed to 0 ha of forest management activities in non-compliance with established objectives for parks, reserves, protected areas, biologically significant areas and including areas with specific wildlife management plans. This will allow for simplified reporting in the future while maintaining the intent of the target.</p>
<u>3</u>	<u>Measure 1-5.2 Natural regeneration</u>	<p>Change the reporting formula to the following to simplify data collection:</p> <p>Formula: $\%PNR = 5 \text{ year avg.} (TSPH - \text{Planted SPH}) / TSPH * 100$</p> <p>Variables: %PNR- Percentage of natural regen in prescribed areas TSPH – Total Stems per Hectare in prescribed area (inventory table) Planted SPH- Total Planted Stems per Hectare in prescribed area (-5% for mortality)</p> <p>The average TSPH and Planted SPH from Free Growing surveys is used for any given year</p>
<u>4</u>	<u>Measure 2-1.1 Interim measure, Site index</u>	<p>Discuss alternative measures to evaluate changes to site productivity. Changes in SI on FG blocks is more likely due to changes in SI measurement and inventory typing than anything else.</p>
<u>5</u>	<u>Measure 2-2.1 Areas converted to non-forest</u>	<p>Currently, information on permanent access structures is being quantified for the Invermere TSA through a multi year project which is to be completed by March 2008. The final results of this project will provide an accurate estimate of the area of THLB converted to non-forest land use through forest management activities in the Invermere TSA. The results will be used in the next TSR analysis.</p>
<u>6</u>	<u>Measure 2-2.2 Roads and Landings</u>	<p>Currently, information on permanent access structures is being quantified for the Invermere TSA through a multi year project which is to be completed by March 2008. The final results of this project will provide an accurate estimate of the area of THLB converted to non-forest land use through forest management activities in the Invermere TSA. The results will be used in the next TSR analysis.</p>
<u>7</u>	<u>Measure 3-1.2 Estimated Carbon in non-tree Vegetation</u>	<p>Corporately, Canfor is reviewing the Carbon budget model (CBM) from Canadian Forest Service to determine its applicability for many of Canfor’s operations, including the Radium DFA. Currently, the model is not capable of</p>

		dealing with carbon stored in non-tree vegetations. This component of forecasting is undergoing further study by Canfor. The target for this measure needs to be changed to 2008.
8	<u>Measure 3-2.1 The forest products carbon pool is maintained or</u>	Corporately, Canfor is reviewing the Carbon budget model (CBM) from Canadian Forest Service to determine its applicability for many of Canfor's operations, including the Radium DFA. Currently, the model is not capable of dealing with carbon stored in Forest Products. This component of forecasting is undergoing further study by Canfor. The appropriate measure and target will be determined by April 2008.
9	<u>Measure 4-2.1 Direct Employment in the Forest Sector</u>	The target for local employment needs to be adjusted to 169 py as the local statistics used the regional multiplier with the DFA harvest levels. The 92 py target was double adjusted for the DFA which is incorrect
10	<u>Measure 4-2.2 Direct Income in the Forest Sector</u>	The target for local income needs to be adjusted to \$7,424,905 as the local statistics used the regional multiplier with the DFA harvest levels. The \$4,036,000 target was double adjusted for the DFA which is incorrect.
11	<u>Measure 4-2.3 Indirect/Induced employment and income</u>	The targets for local indirect/induced employment need to be adjusted to 62 py as the local statistics used the regional multiplier with the DFA harvest levels. The 34 py target was double adjusted for the DFA which is incorrect. Similarly, the targets for indirect/induced income needs to be adjusted to \$1,957,192 as the local statistics used the regional multiplier with the DFA harvest levels. The \$1,063,883 target was double adjusted for the DFA which is incorrect.
12	<u>Measure 4-2.4 Local contributions of spending</u>	BCTS expenditures cannot be directed to a particular geographic area since they openly bid out our work, The recent inter provincial trade agreement further expands the are BCTS must advertise their work. Design a measure in a form that BCTS can evaluate a trend of local expenditures.
13	<u>Measure 4-5.1 Timber Supply Certainty</u>	The measure and target are the same as measure 4-1.1. The wording of the measure and target should be revised to match measure 4-1.1 or visa versa.
14	<u>Measure 4-5.2 Economic Sustainability</u>	Include a measure that is applicable to BCTS.
15	<u>Measure 4-6.2 Natural Disturbance Events</u>	The measure and target are the same as measure 2-5.1. The wording of the measure and target should be revised to match measure 2-5.1 or visa versa.
16	<u>Meaure 5-1.2 Commercial Non-Timber Forest Values</u>	Measure 5-1.1 and Measure 5-1.2 are process measures that have been achieved in 2007. These measures can now be combined into one measure and target for the DFA that attempts to manage and sustain commercial non-timber forest products.
17	<u>Measure 7-2.2 Demonstration of Reciprocal Knowledge Exchange</u>	<u>Recommendation</u> 1) Implement the components of the communication participation plan in 2007. 2) Combine this measure to include First Nations as outlined in Measure 8-3.1
18	<u>Measure 7-3.1 Adaptive Management Strategy</u>	The measure and target can be dropped from the SFMP. Adaptive management process have been developed and implemented within the Environmental Management Systems and Sustainable Forest Management Plan.

19	<u>Measure 8-1.1 Affected First Nations</u>	Canfor has developed a CORE set of Indicators and measures for Criterion 8-First Nations. The PAG should review the CORE Indicators and review opportunities to streamline the measures in the current SFM plan.
20	<u>Measure 8-2.2 First Nation's Access to Forest Resources</u>	<p>Consider clarifying the formula used to calculate the current condition for measure 8-2.2 as established practices and implemented practices are not clearly defined. The intent of the established practices is to mean the results or strategies specified in the FSP, First Nations Agreements or Contractual Agreements. This should simply be stated as such in the measure.</p> <p>An alternative is to change the measure and targets from a percentage measure/target to a compliance measure/target where possible. i.e 100% can be changed to 0 compliance or conformance issues with regard to results or strategies outlined in Forest Stewardship Plans, First Nations Agreements or Contractual Agreements. This will allow for simplified reporting and clarity of the measure in the future while maintaining the intent of the measure and target.</p>
21	<u>Measure 8-2.3 First Nations Satisfaction with Access to Forest Resources</u>	The measure and target are similar to measure 7-1.5. The wording of the measure and target could be revised to match measure 7-1.5 and include First Nations interest and satisfaction.
22	<u>Measure 8-3.1 Demonstration of knowledge exchange</u>	The measure and target are similar to measure 7-2.2. The wording of the measure and target could be revised to match measure 7-2.2 and include First Nations knowledge exchange.
23	<u>Measure 8-3.2 First Nations Cultural Values</u>	An alternative is to change the measure and targets from a percentage measure/target to a compliance measure/target where possible. Ie 100% can be changed to 0 compliance or conformance issues with regard to results or strategies outlined in Forest Stewardship Plans, First Nations Agreements or Contractual Agreements. This will allow for simplified reporting and clarity of the measure in the future while maintaining the intent of the measure and target.
24	<u>Measure 9-1.2 Forest activities and Recreation sites and trails</u>	Change the wording of the measure and targets from a percentage target to a compliance target where possible. Ie 100% can be changed to 0 non-compliance or non-conformance with established interpretive forest sites, recreation sites and recreation trails and their associated objectives, as identified in Measure 9.1.1, will be maintained to their current condition following forestry activities in the area. This will allow for simplified reporting in the future while maintaining the intent of the target.
25	<u>Measure 9-3.2 Special Sites and Protected Areas</u>	Now that the targets for measure 9-3.2 and 9-3.1 have been achieved, the two measures could be streamlined into one measure that is similar to measure 9-1.2. A suggested measure could be 'Existing unique sites, features and protected areas and their associated objectives, will be managed according to their associated management strategies during primary forest activities in the area'. The target could be 'Zero non-conformance or non-compliance with management strategies'
26	<u>Measure 9-5.2 Riparian Management</u>	Change the targets from a percentage target to a compliance target where possible. i.e. 100% can be changed to 0 non-compliance or non-conformances with site plan and Forest Stewardship Plan riparian management strategies. This will allow for simplified reporting in the future while maintaining the intent of the measure and target.
27	<u>Measure 9-5.3 Stream crossings</u>	Change the targets from a percentage target to a compliance target where possible. i.e. 100% can be changed to 0 non-compliance or non-conformances with road permits, site plans and Forest Stewardship Plan riparian management strategies. This will allow for simplified reporting in the future while maintaining the intent of the measure and target.