SUSTAINABLE FOREST MANAGEMENT PLAN
2004/05 ANNUAL REPORT
Vanderhoof Licensee Team
Vanderhoof DFA

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1.0 INTRODUCTION

This is the first annual report of the Vanderhoof Sustainable Forest Management Plan (SFMP) and covers the reporting period of April 1, 2004 to March 31, 2005.

Four licensees operating in the Vanderhoof Forest District initiated the SFMP. These four licensees comprise the Licensee Team (LT) and are currently signatories to the SFMP, which began implementation in the winter of 2005. Each member of the LT is pursuing Sustainable Forest Management (SFM) certification under the CSA Z809-02 standard. Signatory members to the Vanderhoof SFMP include:

- Canadian Forest Products Ltd., Vanderhoof
- Lakeland Mills Ltd.
- L&M Lumber Ltd.
- BC Timber Sales, Stuart-Nechako Business Area

West Fraser Timber Co. Ltd (Fraser Lake Sawmills) has chosen to pursue another SFM certification initiative, but has agreed to supply data relative to the SFMP indicators and measures for their Vanderhoof operations. This will aid in establishing continuity in the planning process within the entire Defined Forest Area (DFA).

The SFMP is an outline of how the Licensee Team will conduct operations in order to meet the CSA standard. One requirement of the standard is public involvement in the plan. The primary public participation method proposed in the CSA SFM standard is a Public Advisory Group (PAG), which allows continual local input from a broad range of interested parties. The Vanderhoof SFMP PAG originally assisted in identifying quantifiable local level indicators and objectives. This report summarizes the status of the 69 indicators and objectives that were identified through the PAG process and established by this SFMP. For clarification of the intent of the indicators, objectives or the management practices employed, the reader should refer to the Vanderhoof Sustainable Forest Management Plan document.

Timelines for each LT member for SFMP implementation and CSA certification vary depending on internal business processes. These varying timelines result in different levels of implementation for this reporting period. Consequently, some indicators, measures and targets are still in progress. These indicators are listed in Table 1 and have identified timelines or action plans in place. The SFMP is not intended to be a static document, but rather in a state of continual improvement, adapting to changes in the environment, forest management practices, research findings and public values. The Vanderhoof SFMP is in its infancy and there are many issues to be addressed as data sources are selected and the intent of measures are researched and adjusted to better address the indicators.

Each of the LT members is working towards achieving CSA certification. Canfor and L&M Lumber Ltd. underwent registration audits in March and August of 2005 respectively. BCTS will undergo an ISO 14001 certification audit in February 2006 and is working towards CSA registration in 2007. Lakeland Mills will be reviewing opportunities to achieve CSA certification in the future. As a result of the preliminary CSA audits completed, Action Plans were developed to address auditor concerns and the LT then adopted these plans.

Of the 69 total indicators, 66 indicators (96%) met their objectives or are still pending during this reporting period. The following table summarizes the results of the current reporting period.

Table 1: Summary of Indicator/Objectives Status
April 1, 2004 to March 31, 2005

Indicator	Objective		
	Achieved	In Progress	Not Met
Distinct Habitat Types		X	
Snags and Live Trees Retained in Managed Areas		X	
Average Amount of Coarse Woody Debris per Hectare		X	
Riparian Reserves	X		
Proportion of Shrub Habitat by NDU		X	
Deciduous Tree Species	X		
Minimum Proportion of Late Seral Forest in the DFA	X		
Patch Size	X		
Plant Diversity Index		X	
Average Stand Level Retention for Harvested Blocks	X		
Develop Management Strategies for Riparian Sensitive Species		X	
Stream Crossing Density by Watershed		X	
Quality of Steam Crossings	X		
Amount of Permanent Access within the DFA	X		
Conformance with the Access Management Plan	X		
Effectiveness Monitoring Plans to Improve Access Points		X	
Effectiveness Monitoring Plans for Indicator Species		X	
Management Strategies for Species at Risk		X	
Coniferous Seeds and Seedlings Planted in the DFA	X		

Site Index	X		
Landslides	X		
Soil Conservation	X		
Productive Forest Area		X	
Regeneration Delay Date	X		
Free Growing Date	X		
Active Research Plots Protected from Forestry Activities		X	
Total Forest Land and Water Bodies	X		
Development of a Carbon Monitoring Plan		X	
Utilization of Residual Wood	X		
Annual Volume Harvested by Licensee Team	X		
Total Projected Long Term Timber Supply		X	
North Central Interior Economic Contribution to Forestry in DFA	X		
Stumpage Paid Annually on Time	X		
Municipal and Other Taxes Paid Annually on Time	X		
Forest Road Maintained for Public Use	X		
Support Opportunities in the DFA	X		
Business Opportunities with First Nations	X		
DFA Managed Under a Fire Preparedness Plan			X
Accidental Forest Industry Related Fires			X
Management Strategies for Damaging Agents		X	
Conservation of Cultural Features	X		
Conservation of Range Resources	X		
Conservation of Riparian Values	X		
Visual Quality Objectives and Conservation of Scenic Areas	X		
Local Opportunity to Quote on Tendered Contracts within the DFA	X		
Local Opportunities for Non-Tendered Services within the DFA	X		
Local Business Relationships and Available Opportunities	X		
Research and Development Projects or Partnerships within the DFA	X		
The Percentage of Direct Employment from Forestry in the DFA		X	
Number of Different Forest Products Produced within the DFA	X		
Number of Public Advisory Group Meetings per Year	X		
The Level of Satisfaction of the Public Advisory Group	X		
Maintenance and Review of the PAG Terms of Reference	X		
Percent of Timely Responses to Written and Documented Concerns	X		
The Level of Stakeholder Satisfaction with Forest Management		X	
Opportunities for Proactive Public Involvement in Planning Processes	X		
Public Review of SFM Plan		X	
SFM Extension Activities	X		
Increase the Level of Understanding of SFM Annually		X	
Opportunities for First Nations to be Involved in the Planning Process	X		
Review of PAG Terms of Reference to Recognize Treaty Rights	X		
Level of First Nation Satisfaction with Forest Management		X	
Management Plans Approved by the Designated Decision Maker	X		
Number of Socio-economic Opportunities Available to Aboriginals	X		
Number of Traditional Uses Studies Used in the Planning Process			X
Number of Hectares and Proportion of DFA with Planned Access		X	
Number of Forestry Management Operation Lost Time Accidents	X		
Forest Road Inspections that Meet Defined Safety Standards	X		
DFA Prescribed Burns that Follow Smoke Management Guidelines	X		

2.0 SFM INDICATORS AND OBJECTIVES

Distinct Habitat Types

Statement of Measure	Management Objective
1-1.1,1-5.3 The percentage area of distinct habitat types in the DFA	Sustain the percentage area of distinct habitat type.

Maintaining a representation of a full range of ecosystem types is a widely accepted strategy in conserving biodiversity. Ecosystem representation is a coarse filter approach intended to ensure proportions of ecologically distinct ecosystem types are maintained across the land base.

During this reporting period, a study project was undertaken in the Northern Interior Forest Region, which includes the Vanderhoof DFA. This study utilized the existing Biogeoclimatic Ecosystem Classification system to define similar vegetation communities based on the frequency and abundance of indicator plant

species. The *'Ecosystem Groupings for Ecosystem Representation in the Northern Interior Forest Region*' project is set to report out in March 2006.

Snags and Live Trees Retained in Managed Areas

Statement of Measure	Management Objective
1-2.1, 5-1.2 The number of snags and/or live trees per hectare over a prescribed area.	Annually sustain an average of ≥8 snags and/or live trees per hectare after harvesting. Sustain an average of ≥4 snags and/or live trees per hectare at free growing age. (-2 variance)

A snag is defined in the SFMP as a standing dead tree, or part of a dead tree, found in various stages of decay. Snags and/or live trees retained in managed stands can provide important habitat for a wide variety of animals during portions of their life cycles.

As indicated in the SFMP, baseline data for this measure has not yet been developed due to the use of both clumped and dispersed tree retention techniques within the DFA. Currently the target is being met though the use of both these retention methods, but the Licensee Team will refine the monitoring and tracking methodology in order to better reflect the intent of the indicator. During this reporting period, the stand level retention of harvested blocks was assessed via ground sampling or VRI analysis. Future reporting may attempt to assess dispersed retention across the DFA in order to better understand the importance of increased snag recruitment due to MPB.

Average Amount of Coarse Woody Debris per Hectare

Statement of Measure	Management Objective
1-2.2, 5-1.1 The average amount of coarse woody debris per hectare on prescribed areas.	Sustain ≥ 4 logs per hectare after harvesting. This will be monitored annually. (0 logs per hectare variance)

Coarse woody debris (CWD) is sound or rotting logs and branches resting on the forest floor that provide habitat for plants, animals and insects. It is a source of nutrients for soil development and helps to promote higher biodiversity levels in managed areas.

The target for CWD in the Vanderhoof DFA is based on Section 68 (1) of the Forest Planning and Practices Regulation of the Forest and Range Practices Act (FRPA). This target will continue to be used as a default value until a localized target for the DFA can be produced. A monitoring process is still to be developed for this measure through a review of all Site Plans and post harvest inspections. Site Plans applicable to harvest operations undertaken within this reporting period are generally prepared one or more years in advance. As such, site-specific measurable CWD targets were generally lacking resulting in no new data for this reporting period. Future tracking and reporting systems for this measure are in various stages of implementation and development.

Riparian Reserves

Statement of Measure	Management Objective
1-2.3, 1-4.1 The percentage conformance with Riparian Reserve Zone (RRZ) strategy/standards.	Annually, 100% conformance with riparian reserve zone strategy/standards. (-5%variance)

Riparian areas occur next to the banks of streams, lakes and wetlands and include both the area with continuous high moisture content and the adjacent upland vegetation. Riparian areas play an important role in the biodiversity of flora and fauna and provide critical habitat, home ranges and travel corridors for wildlife. They also play an important role in conserving water quantity and quality features by reducing the risk associated with forestry activities. All streams, wetlands and lakes in or immediately adjacent to a planned harvest area are classified during the site level plan preparation. Riparian management objectives are established and described within the Site Plan or road design for the proposed harvest area.

A review of all Site Plans and post harvest inspections completed for blocks harvested within the DFA between April 1, 2004 and March 31, 2005 reported 100% conformance with riparian reserve zone strategies/standards.(See Table 2)

Table 2: Riparian Reserve Zone (RRZ) Strategy/Standards: April 1, 2004 and March 31, 2005

Harvested Blocks with RRZ Strategies	109
Harvested Blocks in Conformance with RRZ Strategies	109
% Conformance in DFA	**100%**

Proportion of Shrub Habitat by NDU

Statement of Measure	Management Objective
1-2.4 The proportion of shrub habitat (%) by Natural Disturbance Unit (NDU)	Sustain 5.7% shrub cover by NDU. This will be monitored every 5 years as per SFMP**.** (-0.5 % variance)

Shrubs are perennial, woody, multi-stemmed plants that occur naturally in forested areas. Shrubs contribute to overall biodiversity, nutrient cycling, soil stability and provision of habitat.

The target for proportion of shrub habitat is based on naturally occurring areas and all forested areas less than 20 years old within the DFA. This assumption was brought into question during Canfor's CSA audit and the audit findings suggested providing research that demonstrates this assumption to be valid. The Licensee Team has since developed an Action Plan in response to this recommendation. The reporting period for this measure occurs every 5 years as such it is not scheduled for reporting until 2009 as per the SFMP.

Deciduous Tree Species

Statement of Measure	Management Objective
1-2.5 The proportion of deciduous species (%) by NDU	Sustain 4.9% deciduous species by NDU. Monitor every 5 years as per SFMP (-0.5% variance)

Deciduous tree species are not currently considered to be of economic importance within the DVA, however their role in providing foraging sites, nesting sites and substrates for invertebrates is recognized. This measure indicates the proportion of deciduous forest to the coniferous forest land base within the DFA utilizing the Vegetation Resources Inventory (VRI) as the data source. The VRI is updated at periodic intervals (i.e. every 5 years), hence this measure will be reviewed and reported out in conjunction with the updated VRI.

The next report will occur in 2009.

Minimum Proportion of Late Seral Forest in the DFA

Statement of Measure	Management Objectives
1-2.6 The minimum proportion of late seral forest (%) by NDU	Sustain proportions of late seral forest percentage by NDU as per SFMP.

This measure is considered a "state of the forest" measure as it portrays the percentage of forested land that contains older age classes (late seral: >120 years) for the DFA. A landscape with different seral and structural stages over space and time is recognized as being vital to biodiversity.

The Landscape Objective Working Group (LOWG), which has representation from the Integrated Land Management Bureau (ILMB), the Ministry of Forests and Range (MOFR) and timber licensees has developed landscape biodiversity objectives and old forest retention requirements for the Prince George Timber Supply Area, which includes the Vanderhoof DFA. The Licensee LOWG (LLOWG) collected information relating to more specific DFA data at the TSA level. Table 3 shows the current status for each Natural Disturbance Unit and the related target.

Table 3: Late Seral Forest in the DFA and Associated Targets: April 1, 2004 to March 31, 2005

Natural Disturbance Unit	Merged Biogeoclimatic Units	Current Status as of March 31, 2005* (ha)	Target (%)	Variance (%)
D1 Moist Interior Mountain	ESSF mv1, ESSF mvp1, ESSF xv1	43%	>29%	0%
D2 Moist Interior Plateau	SPBS mc	51%	>17%	0%
D3 Moist Interior Plateau	SBS dk	36%	>17%	0%
D4 Moist Interior Plateau	SBS dw2	37%	>12%	0%
D5 Moist Interior Plateau	SBS dw3	31%	>17%	0%
D6 Moist Interior Plateau	SBS mc2, MS xv	42%	>12%	0%
D7 Moist Interior Plateau	SBS mc3	39%	>12%	0%

*The current status is from the LOWG Analysis Project (2005)

Patch Size

Statement of Measure	Management Objectives
1-2.7 The percentage area by patch size class by NDU	Achieve and sustain patch size targets by NDU as per SFMP.

A patch is defined in the SFMP as a particular unit with identifiable boundaries and different vegetation from its surroundings. Variability of patch size contributes to landscape diversity essential for meeting a variety of habitat

requirements. Patches often consist of even aged forests as a result of either natural and/or man made disturbances.

The LOWG, which has representation from ILMB, MOFR and timber licensees, has developed landscape biodiversity objectives and old forest retention requirements for the Prince George Timber Supply Area, which includes the Vanderhoof DFA. Information relating to more specific DFA data was collected at the TSA level by the LLOWG. Patch size will be reported out every 5 years by the LLOWG, and the next expected report on patch size is scheduled for 2009.

Plant Diversity Index

Statement of Measure	Management of Objective
1-2.8, 1-5.2 The Plant Diversity Index for site association groups above the baseline target on the THLB.	Sustain the Plant Diversity Index consistent with the values identified as per SFMP

A plant diversity index is defined in the SFMP as a mathematical measure of species diversity in a plant community. Diversity of plant species directly correlates to genetic diversity within plant communities. Plant diversity indices measure the number of different species, the abundance of each different species and how rare they are.

The current data base for this measure is the Northern Interior Vegetation Management Association (NIVMA) permanent sample plots. NIVMA plots followed a highly structured protocol and were randomly established across the Prince George TSA. Plant diversity information for the Vanderhoof DFA was translated from Prince George TSA data. A localized data set and method of data collection has not yet been developed, hence there is no new information to report for this reporting period (See Appendix I).

Average Stand Level Retention for Harvested Blocks

Statement of Measure	Management Objective
1-2.9 The average stand level percentage retention for all harvested blocks by NDU.	Achieve and sustain>10% retention at the stand level by NDU as per SFMP. (0% variance)

Stand level retention consists primarily of Wildlife Tree Patches (WTPs), which are defined as forested areas of timber within or immediately adjacent to a harvested cutblock. Residual patches of timber are generally retained for their value in providing a source of habitat, local genetic diversity, or the protection of important features. WTPs in managed stands also contribute to a landscape level, natural disturbance pattern mimicking wildfires. A baseline target of 10% stand level retention by NDU was established for this measure in order to comply with the Forest Planning and Practices Regulation of FRPA.

Sources for calculating and monitoring this measure include Site Plans, EMS pre-work forms, EMS harvest inspection forms, and various licensee information tracking systems such as GENUS. The Vanderhoof DFA is comprised of the Moist Interior NDU, which contains the mountain sub unit and the plateau sub unit. A review of LT data demonstrates that retention at the stand level for the Moist Interior Mountain is 10.7% and 12.4% for the Moist Interior Plateau for this reporting period, which meets the management objective.

Develop Management Strategies for Riparian Sensitive Species

Statement of Measure	Management Objective
1-2.10 Develop "management strategies" for riparian sensitive species (i.e. beaver) to achieve early seral deciduous conditions.	Management strategies will be developed by December 31, 2005 (+3 month variance)

Timber harvesting affects the temporal and spatial distribution of seral stages. Current regulations and forest management practices within the DFA lean towards retaining areas adjacent to wetlands and riparian areas, thereby allowing for an over representation of late seral forest types. Limiting the diversity of riparian habitat through this practice could potentially diminish the abundance of riparian sensitive species. Licensee Team members are to develop management strategies for riparian sensitive species. The reporting period of April 1, 2004 to March 31, 2005 contains no data for this measure, but an Action Plan is in place to complete a management strategy (See Appendix I).

Stream Crossing Density by Watershed

Statement of Measure	Management Objective
1-2.11, 1-4.2 Stream crossing density by watershed.	Achieve and sustain $\geq$ 2.266 stream crossings per kilometer of road by watershed in the DFA (+10% variance).

This measure was designed to monitor the number of stream crossings in the DFA broken down by watershed. Limiting the number of stream crossings

decreases the risk of water quality degradation. Water quality and conservation of aquatic habitat is fundamental to sustaining biological richness.

The reporting for this measure is dependent on the annual update of a district roads and landings database. However, compatibility of licensee mapping systems has complicated the reporting of this measure. Therefore, the current reporting period has no new data to report and a standardized digital submission format will be designed by the LT for future reporting of this measure.

Quality of Stream Crossings

Statement of Measure	Management Objective
1-2.12, 1-4.3 The percentage of stream crossings planned and installed to design/standard.	Annually, 100% of planned stream crossings will be installed as per design or prescribed standard. (-10% variance)
1-2.13, 1-4.4 The percentage of stream crossing inspections and resultant mitigation measures completed according to schedule.	Annually, 100% of mitigation measures resulting from stream crossing inspections will be completed according to schedule.(-10% variance)

Forestry roads can have a large impact on water quality and quantity when they intersect with streams, including increasing sedimentation into water channels. The first measure involves a process to ensure stream crossings (S6 or greater) within the DFA are installed according to design or prescription standard. The second measure involves the tracking of identified issues including stream sedimentation as a result of roads and stream crossings. The monitoring process includes inspections during and after installation as well as part of routine maintenance during the life of the structure. During this reporting period, a 96% conformance to both criteria was achieved (refer to Table 4).

Table 4: Quality of Stream Crossings in Vanderhoof DFA: April 1, 2004 to March 31, 2005

Total Crossings Installed	**48**	**Total Crossing with Mitigation Measures**	**71**
Total Installed to Design/ Standard	**46**	**Total Mitigation Completed on Schedule**	**68**
% in DFA	**96%**	**% in DFA**	**96%**

Amount of Permanent Access within the DFA

Statement of Measure	Management Objective
1-2.14, 1-4.5. 2-2.2 The percentage of area within the THLB with permanent access.	Annually, sustain<4.2% of area within the THLB in permanent access (+1% variance)

As defined in the SFMP, permanent access structures include roads, bridges, landings, gravel pits, or other similar structures that provide access for timber harvesting. Without rehabilitation work, these structures can remove area from the productive forest land base and may negatively affect water quality and quantity. The reporting for this measure is also dependent on the updated roads and landings database as described in measure 1.2.11 and 1-4.2.

Conformance with the Access Management Plan

Statement of Measure	Management Objective
1-2.15, 5-1.3, 9-1.3 The percentage conformance with the Access Management Plan	Annually, achieve 100% conformance with the Access Management Plan. (-10% variance)

The Vanderhoof Land and Resource Management Plan developed general guidelines for the Vanderhoof Access Management Plan. The Ministry of Forests and Range (MOFR) is the steward of this plan and is responsible for ensuring that an annual review and updates take place. Commitments to follow the current plan are stated in each of the operational plans developed by the individual Licensee Team members. The new Access Management Plan expected from the MOFR has not yet been released. Table 5 lists the conformance to the current Access Management Plan utilized for the SFMP baseline and demonstrates 94% conformance, which is within the acceptable variance.

Table 5: Access Management Plan Conformance: April 1, 2004 to March 31, 2005

Total Access Management Areas	17
Total Conformance to these Areas	16
Percentage Access Areas in Conformance in DFA	**94%**

Effectiveness Monitoring Plans to Improve Access Points

Statement of Measure	Management Objective
1-2.16, 5-1.4, 9-1.2 Monitoring plans are developed and implemented for selected access management areas to continually improve access points.	Develop Effectiveness Monitoring Plans by September 1, 2005 (3+month variance).

The Integrated Land Management Bureau (ILMB) is currently involved in developing a work plan to revise the access management strategies and access points within the Vanderhoof Forest District. Until this process is completed, the Licensee Team has put the development of effectiveness monitoring plans to improve access points on hold. Once a new access management plan is released for the Vanderhoof Forest District, Licensee Team members will be able to effectively manage these access areas. As such, there is no data to report this period and the Licensee Team will re-visit this measure in the winter of 2006.

Effectiveness Monitoring Plans for Indicator Species

Statement of Measure	Management Objective
1-3.1 Effectiveness Monitoring Plans (wildlife) are developed and implemented for selected indicator species to test management targets developed for indicators 1-1 and 1-2	Develop Effectiveness Monitoring Plans for December 31, 2006 (+3 month variance).

This measure is used to determine if productive populations of selected wildlife species are present and well distributed throughout their habitat within the DFA. The Licensee Team will develop and implement an Effectiveness Monitoring Plan for one or more indicator species. These plans will help the Licensee Team determine if current management practices and policies are successful in producing desired populations. No data is available for this measure for this reporting period as these strategies have not yet been developed or implemented. However, an Action Plan for completion of an Effectiveness Monitoring Plan has been developed (See Appendix I).

Management Strategies for Species at Risk

Statement of Measure	Management Objective
1-3.2 Develop "Management Strategies" for all Species at Risk.	Develop management strategies for all Species at Risk within the DFA by December 31, 2006 (+3month variance)
1-3.3 The percentage of Species at Risk "Management Strategies" being implemented as scheduled	Annually, beginning in 2007, ensure 100 %of species at risk management strategies are being implemented as scheduled. (55% variance)

This measure will ensure that specific management strategies are developed and implemented in order to conserve and manage specific habitat needs for all identified Species at Risk as defined by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). Strategies are scheduled to be developed by December 2006, therefore no data is available for this reporting period. An Action Plan detailing a timeline associated with completion of these plans has been developed with reporting to begin in 2007 (See Appendix I).

Coniferous Seeds and Seedlings Planted in the DFA

Statement of Measure	Management Objective
1-5.1 The percentage of seed for coniferous species collected and seedlings planted in accordance with the Forest and Range Practices Act.	Annually, sustain 100% of seed for coniferous species collected and seedlings planted in accordance with the Forest and Range Practices Act. (-5% variance)

Sustainability of genetic diversity is an important forest management consideration because harvesting and regeneration activities can interrupt the natural patterns of plant reproduction. Assurance of genetically diverse seedlings for reforestation in the Vanderhoof DFA is delivered through the requirements of legislation that regulate the forest industry's use of tree seed and planted seedlings. This measure relates to seed and seedlings used under the guidance of FRPA. As Licensees were not operating under an approved Forest Stewardship Plan during this reporting period, no data is available for this measure. However, 100% of the seedlings and seeds used during the reporting period were in accordance with the Tree Cone, Seed and Vegetative Material Regulation of the Forest Practices Code of BC Act.

Site Index

Statement of Measure	Management of Objectives
2-1.1 Site index for managed stands within the THLB at the subzone level is sustained.	Sustain site index for managed stands within the THLB at the subzone level as outlined in SFMP.

Site index is defined in this SFMP as the height of a tree at 50 years of age. Site index is used in timber supply planning to predict future stand volume and in silviculture planning. The Licensee Team will review the potential of altering current silviculture survey methodologies to collect additional field data and re-calculate the managed stand site index every five years. As the reporting period for this measure is every 5 years, there is no data to report this period and the measure will be re-visited in 2009.

Landslides

Statement of Measure	Management Objective
2-1.2 The number of hectares of landslides resulting from forestry practices.	Annually, landslide areas will be <20 cumulative hectares across the DFA.

As defined in this SFMP, a landslide includes a wide range of ground movement, such as rock falls, deep failure of slopes, and shallow debris flows. For the purposes of the SFMP and this measure, landslides are considered as the mass movement of soil or debris covering an area of at least 0.10 hectares in size. Maintaining a sustainable, productive forest requires that the impacts of timber harvesting do not create conditions that may initiate landslides.

During this reporting period there was no loss of area due to landslides associated with forest management activities.

Soil Conservation

Statement of Measure	Management Objectives
2-1.3 The percentage of blocks meeting soil conservation targets after harvesting and silviculture activities.	Annually, 100% of blocks will meet soil conservation targets after harvesting and silviculture activities. (-5% variance).

Some degree of soil disturbance is expected during forestry activities. However, site disturbance limits established when developing individual Site Plans ensure the disturbance is minimized. Data for this measure was collected from each Licensee Team member's Site Plans and post harvest inspection forms. During the reporting period there was 99% conformance to soil disturbance limits, which is within the acceptable variance level (See Table 6). It should be noted that BCTS soil disturbance assessments were restricted to harvesting activities only.

Table 6: Soil Disturbance Targets Met After Forestry Activities: April 1, 2004 to March 31, 2005

Activity	Total Number	Achieved Soil Disturbance Limits	% in DFA
Harvested Blocks	**241**	**238**	**99%**
Site Preparation Blocks	**66**	**66**	**100%**

Productive Forest Area

Statement of Measure	Management Objective
2-2.1 The percentage of productive forest area (hectares) in the THLB	Annually, sustain 100% of the forest in the Timber Harvest Land Base. (- 5% variance)

Sustaining the amount of productive forest area within the THLB (Timber Harvesting Land Base) is an important element in the maintenance of the overall productive capacity of forest ecosystems within the DFA. Initial data for this measure was produced through the forecasting process developed by Forest Ecosystem Solutions Ltd. This forecasting will be revisited and revised throughout the life of this plan, however such revisions did not occur during this reporting period.

Regeneration Delay Date

Statement of Measure	Management Objectives
2-3.1, 4-1.3 The percentage of harvested blocks meeting the regeneration delay date.	Annually, sustain 100% of harvested blocks meeting the regeneration delay date. (-5% variance)

Regeneration delay is defined in the SFMP as the time allowed between the start of harvesting in an area and the earliest date by which the Site Plan requires a minimum number of acceptable, well spaced trees per hectare to be growing in that area. The regeneration delay period is usually within two years where planting is planned and five years where the stand is expected to reforest

naturally. Licensee Team members have reviewed all the blocks that have their regeneration commitment dates falling within this reporting period (Table 7). The percentage of harvested blocks within the DFA meeting the regeneration delay date is 99%, which is within the variance limit.

Table 7: Regeneration Delay Date Achievement: April 1, 2004 to March 31, 2005

Total Blocks Surveyed with Regeneration Delay Due	373
Total Blocks Meeting Regeneration Delay Target	371
% Blocks Meeting Regeneration Delay Target	**99%**

Free Growing Date

Statement of Measure	Management Objective
2-3.2,4-1.4 The percentage of harvested blocks meeting the free growing assessment date.	Annually, sustain 100% of harvested blocks that meet the free growing assessment date. (-5% variance)

A free growing stand is defined in the SFMP as a stand of healthy trees of a commercially valuable species, the growth of which is not impeded by competition from plants, shrubs or other trees. Once harvested areas reach the free to grow standard, the area reverts back to Crown land and Licensee obligations are considered complete. Achieving free to grow status will help to sustain the productive capability of forest ecosystems. Table 8 lists all harvested areas within the DFA that had a free growing due date between April 1, 2004 and March 31, 2005. In total, 97% of harvested areas achieved free to grow status within the specified timeline, which is within the variance of the target for this measure.

Table 8: Harvested Blocks Meeting Free Growing Status Assessment Date: April 1, 2004 to March 31, 2005

Number of Blocks with Free Growing Due Dates	208
Number of Blocks Achieving Free Growing Status	202
Total Overall Percentage in DFA	**97%**

Active Research Plots Protected from Forestry Activities

Statement Of Measure	Management Objective
2-4.1 The percentage of active research plots protected from harvesting and silviculture activities.	Sustain 100% of established, active research plots protected from harvesting and silviculture activities. (-10% variance)

Research and development is important to the maintenance of the long-term capacity of forest ecosystems within the DFA. Harvesting and other forest management activities can impact field research projects. This measure was designed to ensure the protection of research plots by spatially identifying their locations and excluding them from forest management planning areas.

A digital coverage indicating the location of permanent and temporary research plots within the DFA has been created by Forest Analysis and Inventory Branch (MOFR). This research plot coverage has subsequently been added to each licensees planning platform and will be utilized to mitigate potential impacts from harvesting, road building and silviculture activities. Due to the timing associated with the final SFMP, the spatial coverage described in this measure was not implemented in this reporting period. Once implemented, the coverage will be updated yearly, or as new information is identified.

Total Forest Land and Water Bodies

Statement of Measure	Management Objective
3-1.1 The percentage area change of total forested land	Sustain 0% area change of total forested land. This will be measured at each Timber Supply Analysis period. (+/- 2% variance)
3-1.2 The percentage area change of water bodies	Sustain 0% area change of water bodies. This will be measured at each Timber Supply Analysis period. (+/- 2% variance)

The first measure determines the area that is physically converted from forested land and removed from the THLB as a result of permanent access or other development. The second measure addresses the change in water bodies across the DFA and helps to ensure that water features are sustained over time. Poor management of forest land adjacent to water bodies could potentially affect the size of water bodies. As the reporting period for each of these measures is every 5 years, there is no new data available for this reporting period. These measures

will be reviewed again in 2009 in conjunction with a new Timber Supply Analysis.

Development of a Carbon Monitoring Plan

Statement of Measure	Management of Objective
3-2.1 Carbon Monitoring Plan is developed and implemented for forest ecosystem biomass and carbon pools.	Develop and implement a Carbon Monitoring Plan by June 30, 2006 (+3 month variance)

The 1997 Kyoto protocol has placed considerable pressure on the public and private sectors of society to account for the role that forests play in carbon storage and the reduction of carbon dioxide emissions. The capability of the forest to sequester carbon is considered an important environmental value and has been included as an aspect of the SFMP.

Development and implementation of the Carbon Monitoring Plan is set to be completed by June 30 2006 due to the current lack of localized knowledge and research into carbon modeling. As such, there is no data to report for the period of April 1, 2004 to March 31, 2005 (See Appendix I).

Utilization of Residual Wood

Statement of Measure	Management Objective
3-2.2 The percentage of blocks where a portion of the residual wood is utilized or left on block to contribute to other values.	Sustain $\geq$ 5% of blocks where a portion of the residual wood is utilized or left on block.(-5% variance)

This measure was designed to promote the utilization of residual post harvest wood fiber. Examples of utilization include CWD piles left onsite for small mammal habitat, firewood and other forest products such as fence posts or biomass for wood pellets. Strategies for residual wood use or strategies for residual wood to be left on site are contained in Site Plans. Post harvest inspections are then utilized to ensure Site Plan objectives are met on all harvested blocks. During the April 1, 2004 to March 31, 2005 reporting period, 8.3% of blocks were harvested where a portion of the residual wood was utilized or left on site (See Table 9). This value achieves the SFMP target.

Table 9: Proportion of Blocks Harvested with Residual Wood Utilized: April 1, 2004 to March 31, 2005

Number of Blocks Harvested	241
Number of Harvested Blocks with CWD piles	20
Total Overall Percent in DFA	**8.3%**

Annual Volume Harvested by Licensee Team

Statement of Measure	Management Objective
4-1.1, 4-4.1 Annually , total volume (m3/ha) of timber harvested in the DFA (Actual)	Sustain a harvest volume of 5,500,000 m3/year until 2009. (+/-1,000,000 m3 /year variance)

To be considered sustainable, harvesting a renewable resource can not deteriorate the resource on an ecological, economic or social basis. In the summer of 2004 the Chief Forester completed an expedited Timber Supply Review (TSR) to re-determine the Allowable Annual Cut (AAC) for the Prince George TSA, which includes the Vanderhoof Forest District. This review was initiated in order to address the severe mountain pine beetle infestation that currently exists. The actual recorded cut for the Vanderhoof DFA during the current reporting period was 3,960,956 m3, which is below the acceptable variance limits of the stated target. The increase in AAC to help mitigate losses from the mountain pine beetle will take time to become operational in the DFA. It is the expectation of the LT that this target will be met in the next reporting period as these AAC increases will be fully implemented.

Total Projected Long Term Timber Supply

Statement of Measure	Management Objectives
4-1.2, 4-4.2 Total projected timber supply (m3/year)	2,570,000 m3/year (+/- 257,000m3/year variance)

Initial data for this measure was produced through the forecasting process developed by Forest Ecosystem Solutions Ltd. This forecasting process will be revisited and revised throughout the life of this plan, but revisions have not yet taken place. The Licensee Team will determine a frequency at which the quantitative elements of this SFMP should be re-forecasted once the plan is fully implemented and operational. As such, there is no information to report for the current reporting period.

North Central Interior Economic Contribution to Forestry in DFA

Statement of Measure	Management Objectives
4-2.1 The percentage of money spent on forest operations and management on the DFA provided from the suppliers of the North Central Interior (NCI). (stumpage not included)	Annually, sustain ≥ 80% of the money spent on forest operations and management from the North Central Interior. (-5% variance)

This measure is calculated through a comparison of the dollar value of goods and services invested locally to the total dollar value of goods and services. Forests provide substantial socio-economic benefits to local communities. As such, local forest related businesses should be able to benefit from the work that is required in the management of the DFA. The percentage of money spent on forest operations within the North Central Interior (NCI) was 94 % between April 1, 2004 and March 31, 2005, which achieves the target for this measure.

Stumpage Paid Annually on Time

Statement of Measure	Management Objective
4-2.2 The percentage of stumpage paid annually on time.	Sustain 100% of stumpage payments paid annually on time. (0% variance)

Forests provide many ecological benefits to areas that surround them and also provide significant socio-economic benefits. Prompt payment of stumpage fees facilitates a flow of sustained economic benefit from forest harvesting. During the reporting period of April 1, 2004 to March 31, 2005, all stumpage payments were made on time by Licensee Team members. It should be noted that BCTS is not actually a licensee and does not in itself pay stumpage. Thus, BCTS data is not collected for this measure.

Municipal and Other Taxes Paid Annually on Time

Statement of Measure	Management Objectives
4-2.3 The percentage of municipal and other taxes paid annually on time.	Sustain 100% of municipal and other taxes paid annually on time. (0% variance)

Payment of municipal and other taxes owed by the Licensee Team members is a quantifiable measure of how the public is receiving a portion of the economic benefits derived from forests. For this reporting period, all municipal and other taxes were paid on time according to accounting records of the Licensee Team members.

Forest Road Maintained for Public Use

Statement of Measure	Management Objectives
4-2.4, 9-1.4 The number of kilometers of forest road maintained annually for public use.	Maintain ≥ 300 km of forest road for public use. (-30km variance)

This measure is a general indicator of the amount of forest road that is maintained, which allows the public access benefits to the DFA forest resource. A balance must be met between the value of access to the forest resource, the social cost or benefit, and the ecological cost or benefit. Each year, the Licensee Team members review active forest roads to ensure they are in good working condition. A query of primary road network databases indicates 459 km of forest road was maintained during the reporting period, which achieves the stated target for this measure.

Support Opportunities in the DFA

Statement of Measure	Management Objectives
4-2.5, 6-1.5, 9-5.1 Annually, the number of support opportunities provided in the DFA.	Annually, sustain ≥100 support opportunities in the DFA(-10 variance)

This measure indicates how the Licensee Team members provide economic and social benefits to the public over and above wages, taxes and stumpage fees through donations and involvement in local community organizations. Support opportunities for this reporting period were tracked by each Licensee Team member and are recorded in Table109, which shows 164 total opportunities.

Table 10: The Number of Support Opportunities Provided in the DFA: April 1, 2004 to March 31, 2005

Support Opportunity	Number of Opportunities
Cash Donations	127
Product Donations	5
Resource and Worker Donations	27
Community Events	5
TOTAL	**164**

Business Opportunities with First Nations

Statement of Measure	Management Objective
4-3.1 Annually, the number of business relationships and opportunities made available and taken up.	Sustain ≥ 12 business relationships or opportunities annually (-2 variance).

Business relationships, opportunities and cooperative working arrangements with local Aboriginal people provides mutual social, cultural and economic benefits and is an important component in the success of the SFMP. A business relationship, in the context of this measure, is defined as a financial arrangement between a local business, or a person from a local community and a member of the Licensee Team. To administrate this measure, Licensee Team members will report individual achievements annually. A total of 53 business relationships with local First Nations were recorded during April 1, 2004 to March 31, 2005 (See Table 11).

Table 11: The Number of Business Relationships and Opportunities Made Available and Taken Up by First Nations: April 1, 2004 to March 31, 2005

Business Type	Number of Business Relationships	Number of Business Opportunities	Totals
Forestry Management	6	0	6
Silviculture	17	0	17
Harvesting	29	1	30
Total	**52**	**1**	**53**

DFA Managed Under a Fire Preparedness Plan

Statement of Measure	Management Objective
4-5.1, 9-4.3 The percentage of the operating area managed under a Fire Preparedness Plan.	Annually, sustain 100% of the operating area managed under a Fire Preparedness Plan. (-5% variance)

Although fire is part of the natural disturbance pattern in the Vanderhoof DFA, fires that burn out of control have the potential to negatively impact the forest industry, local economy, community stability and other resource values. Current legislation and certification processes require Licensees harvesting within the DFA to complete an Emergency Preparedness Plan, which ultimately contains a Fire Preparedness Plan. During this reporting period, all Licensee operating areas were managed under a Fire Preparedness Plan.

With regards to BCTS, legislation in effect during the reporting period required licensees that were awarded Timber Sales to submit a fire preparedness plan to Forest Protection. BCTS was not involved in this process, nor it's tracking and therefore cannot report on this measure. The Licensee Team will continue to review the objectives surrounding this measure, consult with PAG and revise monitoring methods to better reflect the measure's intent and to accommodate legislation changes.

Accidental Forest Industry Related Fires

Statement of Measure	Management Objectives
4-5.2 The number of hectares of accidental forest industry operational related fires.	Annually, sustain < 100 cumulative hectares of accidental forest industry operational related fires. (+ 10 hectare variance)

This measure accounts for losses attributable to accidentally caused industrial forest fires. The Licensee Team has discussed the tracking of this DFA measure with the Ministry of Forests and Range Protection Branch in Vanderhoof. Protection staff currently maintains a database that tracks all fires within the DFA in detail. It was decided that this dataset offers the most consistent method of reporting industrial caused fires within the DFA. For the reporting period of April 1, 2004 to March 31, 2005, 152.5 ha were lost due to accidental forest fires, which exceed the stated target. This measure will be reviewed to determine required action to be taken to achieve the management objective in the future.

Management Strategies for Damaging Agents

Statement of Measure	Management Objective
4-5.3 Develop "management strategies" for damaging agents.	Develop various strategies by December 31, 2005 (+3 month variance)
4-5.4 The percentage of management strategies in place and implemented to reduce the impact of damaging events or agents (i.e. annual harvest targeted toward MPB)	Implement 100% of management strategies developed to reduce the impact of damaging events or agents. This will begin to be monitored annually starting in 2006 . (0% variance)

Damaging agents can be considered as biotic or abiotic factors (e.g. fire, wind, and insects) that reduce the value of commercial stands of timber. Within the DFA, mountain pine beetle impacts far outweigh the combined losses caused by all other damaging agents. Control efforts to address this destructive pest are not practical at this stage of the epidemic. However, management strategies to mitigate the impact of standing timber mortality have been developed by the LT. These strategies have not formally been implemented (although some are components of individual licensee's business practices). As such, measure 4-5.3 has been achieved and there is currently no data to report for measure 4-5.4 for this reporting period.

Conservation of Cultural Features

Statement of Measure	Management Objective
5-1.5, 9-3.1 The percentage of Site Plans conserving unique or significant identified cultural features.	Annually, sustain 100% of the Site Plans that conserve unique or significant cultural features when they are identified. (0% variance)
5-1.6,9-3.2 The percentage of forest management operations consistent with the conservation of unique or significant identified cultural features	Annually, sustain 100% consistency between forest management operations and the strategies identified in the Site Plan to conserve cultural or significant features (-5 variance).

The protection and maintenance of culturally unique or significant features gives assurance that these values will be identified, assessed and archived for future generations. These measures ensure that all Site Plans have identified such features and have strategies that are implemented to ensure the feature is conserved. A review of all Licensee Team Site Plans with identified cultural features revealed 100% conformance to both measures during the reporting period.

Conservation of Range Resources

Statement of Measure	Management Objective
5-1.7 The percentage of Site Plans conserving range resources for those areas that have been identified range resources.	Annually, sustain 100% of the Site Plans that conserve range resources when they are identified. (0% variance)
5-1.8 The percentage of forest management operations consistent with the conservation of range resources identified in Site Plans.	Annually, sustain 100% consistency between forest management operations and the strategies identified in the Site Plan to conserve range resources. (-5% variance)

Range resources can include grazing or hay cutting permits or areas with potential for these ventures. These measures ensure that range areas are identified, have Site Plan strategies developed and that these strategies are adhered to. The data for these measures was collated and reported by each Licensee Team member. During the reporting period of April 1, 2004 to March 31, 2005 the management objectives were achieved on both measures (100%).

Conservation of Riparian Values

Statement of Measure	Management Objective
5-1.9 The percentage of Site Plans conserving riparian values for those areas that have identified riparian values.	Annually, sustain 100% of the Site Plans that conserve riparian values when they are identified in the plan. (0% variance)
5-1.10 The percentage of forest management operations consistent with the conservation of riparian values identified in the Site Plan.	Annually, sustain 100% consistency between forest management operations and the strategies identified in the Site Plan to conserve riparian values. (-5% variance)

Riparian values can be important to ecological values such as vegetation, water quality, soil protection and wildlife habitat. Riparian areas are identified within the Site Plan and strategies are developed therein. There is a legal obligation to adhere to the strategies listed in the Site Plan with inspections occurring during harvesting and silviculture activities to document this. During this reporting period there was 100% conformance with measure 5-1.9 and 99% conformance with measure 5-1.10, which is within the allowable variance for the stated target.

Visual Quality Objectives and Conservation of Scenic Areas

Statement of Measure	Management Objective
5-1.11, 9-2.1 The percentage of Site Plans within a scenic area that meet Visual Quality Objectives (VQO)	Annually, sustain 100% of the Site Plans that are within a scenic area and meet Visual Quality Objectives (0% variance)
5-1.12, 9-2.2 The percentage of forest management operations which are consistent with the conservation of Visual Quality Objectives identified in the Site Plan	Annually, sustain 100% consistency between forest management operations and the strategies identified in the Site Plan to conserve Visual Quality Objectives. (-5% variance)

Visual Quality Objectives are defined in the SFMP as resource management objectives that have been established by the District Manager or are contained in a higher level plan.

For the current reporting period, some interpretation of the management objective for this measure is necessary due to the mountain pine beetle epidemic within the DFA. Between April 1, 2004 and March 31, 2005, expedited major salvage operations focusing primarily on beetle control efforts were just concluding. These operations and their related approvals weighed potential scenic impacts against beetle management objectives. The intent of Licensees to exceed VQO's was made known to affected stakeholders and approved by the statutory decision maker. Where these decisions were made, it is difficult to conclude that proposed plans did not meet objectives. However, for this reporting period where visual impact assessments were not conducted (or directed) within known scenic areas, it has been reported that the Site Plans did not meet the VQO's.

Data summaries of Licensee Team Site Plans and a summary of the number of forestry management operations that were consistent with the VQO strategies were collected, resulting in 36% conformance for both measures between April 1, 2004 and March 31, 2005.

Local Opportunity to Quote on Tendered Contracts within the DFA

Statement of Measure	Management Objective
6-1.1 The percentage of businesses within the DFA given an opportunity to quote on forest management tendered contracts.	Annually, sustain 100% of businesses within the DFA that are given an opportunity to quote on forest management tendered contracts (-5% variance).

This measure involves an analysis of the opportunities that businesses within the DFA are given to tender on forest management contracts through a competitive bid process. Local, for the purposes of the SFMP, is defined as those residences or businesses that have mailing addresses within the Vanderhoof DFA. All tendered woodlands contracts were tracked over the reporting period to determine the percentage of local contractors permitted to quote. The target for this measure between April 1, 2004 to March 31, 2005 was achieved (See Table 12).

Table 12: The Percentage of Businesses within the DFA Given an Opportunity to Quote on Forest Management Tendered Contracts: April 1, 2004 to March 31, 2005

Business Type	Number of Contracts Tendered	Contractors Permitted to Quote
Logging and Hauling	23	100 %
Road Construction or Maintenance	4	100%
Silviculture	9	100%
Planning and Administration	7	100%
Forest Investment Account	14	100%
Total	**57**	**100%**

Local Opportunities for Non-Tendered Services within the DFA

Statement of Measure	Management Objective
6-1.2 The number of opportunities given to businesses within the DFA to provide non-tendered services to forest management activities	Annually, sustain $\geq$ 40 opportunities within the DFA to provide no-tendered services to forest management activities(-4 variance)

Woodlands operations purchase a wide variety of products and services in order to produce timber and to manage forestry activities. Some goods and services required for forest management are not put up for tender, instead they are directly purchased or awarded. For the current reporting period, the Licensee Team members identified 158 forestry activities that were considered non-tendered forest management activities. Table 13 lists the results of the tracking of this measure and demonstrates the target was achieved.

Table 13: The Number of Opportunities Given to Businesses within the DFA to Provide Non-Tendered Services for Forest Management Activities: April 1, 2004 to March 31, 2005

Business Type	Number of Opportunities
Logging and Hauling	85
Road Construction and Maintenance	20
Silviculture	26
Planning and Administration	27
Total	**158**

Local Business Relationships and Available Opportunities

Statement of Measure	Management Objective
6-1.3 Annually, the number of business relationships and opportunities made available and taken up.	Sustain > 100 business relationships or opportunities annually within the DFA. (-10 variance)

A business relationship, in the context of this measure, is defined as a financial arrangement between a local business, or a person from a local community and a member of the Licensee Team. An opportunity is defined as a reasonable chance to form a business relationship. A business relationship does not directly relate to the number of contracts administered, as one particular business relationship may be facilitated through a number of contracts covering a variety of projects. To monitor and report on this measure the Licensee Team members tallied the number of business relationships and opportunities that were formed with local residents or businesses between April 1, 2004 and March 31, 2005. The Licensee Team exceeded the target for this measure (See Table 14).

Table 14: The Number of Local Business Relationships and Opportunities Made Available and Taken Up: April 1, 2004 to March 31, 2005

Type of Business or Opportunity	Number of Relationships	Number of Opportunities	Total for Measure
Forestry Management	43	22	65
Silviculture	29	8	37
Harvesting/ Road Construction	116	26	142
Total	**188**	**56**	**244**

Research and Development Projects or Partnerships within the DFA

Statement of Measure	Management Objective
6-1.4 The number of research and development projects and/or partnerships completed within the DFA	Annually, sustain $\geq$ 3 research and development opportunities within the DFA (-1 variance)

SFM system requirements are based on adaptive management and continual improvement, which can both be guided through the specific results of research and development projects or partnerships conducted within the DFA. Research and development initiatives also provide direct economic benefits to the communities within the DFA. The target for this measure was achieved for the collaborative Licensee Team during this reporting period (See Table 15).

Table 15: The Number of Research and Development Projects and/or Partnerships within the DFA: April 1, 2004 to March 31, 2005

Research and Development Projects	Total Number
Biodiversity Projects	1
Silviculture Projects	2
Forest Product Research and Development	0
Other	0
Total Number	**3**

The Percentage of Direct Employment from Forestry in the DFA

Statement of Measure	Management Objective
6-1.6 The percentage of direct employment and number of person years derived from the forest industry in comparison to other sectors within the DFA	The percentage of direct employment from forestry over the census period is to be determined by December 2005.

The Licensee Team members have not been able to identify an adequate and feasible data source for this measure, and as such, there is no data to report at this time. The Licensee Team has tabled the measure for further discussion regarding the approach to, and feasibility of achieving this measure. The Licensee Team will consider removal of this measure and approach the PAG for consensus.

Number of Different Forest Products Produced within the DFA

Statement of Measure	Management Objective
6-1.7, 9-5.2 The number of different forest products produced within the DFA	Annually, sustain ≥ 9 different forest products produced within the DFA. (-2 variance)

Diversification of forest products improves any local economy through increased employment and decreased dependence on a single market. The ability of a value added manufacturer to sustain operations is often dependent upon the availability of raw material from dimensional lumber mills. Licensee Team members provide dimensional lumber products and help to supply value-added manufacturers with raw materials for production. These provisions maintain stability and sustainability of socio-economic factors within the DFA. Licensee Team members have reported the production of 15 different products from April 1, 2004 to March 31, 2005. This tally is unchanged from the last reporting period and meets the management objective and target.

Number of Public Advisory Group Meetings per Year

Statement of Measure	Management Objective
7-1.1 The number of Public Advisory Group (PAG) meetings per year.	Annually, sustain ≥ 2 PAG meetings per year. (-1 variance)

The Vanderhoof PAG members represent diverse interests, values and specific uses of the forest resource within the DFA. The PAG provided initial input into the development of the SFMP by identifying local issues and values to consider during management and planning processes. The PAG will continue to provide guidance, input and evaluation throughout the life of the SFMP. This measure provides information regarding how often the Licensee Team provided the opportunity for the PAG to meet. According to the Management Plus Communication's final submission binder, the PAG met 11 times during the reporting period (See Table 16).

Table 16: Vanderhoof Sustainable Forest Management Plan Public Advisory Group Meetings: April 1, 2004 to March 31, 2005

Date	Location
April 1, 2004	Village Inn, Vanderhoof, BC
April 22, 2004	Friendship Centre, Vanderhoof, BC
May 1, 2004	Potlatch House, Nulki Lake, BC
May 11, 2004	Elk's Hall, Vanderhoof, BC
May 20, 2004	Village Inn, Vanderhoof, BC
June 5, 2004	Potlatch House, Nulki Lake, BC
June 17, 2004	Village Inn, Vanderhoof, BC
June 29, 2004	Village Inn, Vanderhoof, BC
October 14, 2004	Village Inn, Vanderhoof, BC
October 28, 2004	Village Inn, Vanderhoof, BC
January 29, 2005	Village Inn, Vanderhoof, BC
Total Number of Meetings	**11**

The Level of Satisfaction of the Public Advisory Group

Statement of Measure	Management Objective
7-1.2 Measure the level of satisfaction of the PAG members with the SFMP process, annually.	Annually, sustain a satisfaction index level of ≥4 (-0.5 variance)

As mentioned in the previous measure the PAG is one of the key elements for public involvement in the sustainable forest management process. This measure provides the Licensee Team an analysis tool to gauge how well the public participation process is working. On May 11, 2004 a PAG satisfaction survey was completed. The average level of satisfaction was 3.8, which meets the management objective within the variance of the target.

Maintenance and Review of the PAG Terms of Reference

Statement of Measure	Management Objective
7-1.3 Maintain and review annually the SFM plan PAG Terms of Reference (TOR) to ensure a credible and transparent process.	The PAG TOR will be reviewed each year to ensure a credible and transparent process. This will be monitored annually. (0% variance)

Each member of the PAG must be able to have effective and fair interaction or communication with one another and the Licensee Team members to ensure all

identified values receive sufficient input from the PAG representatives. The PAG Terms of Reference underwent review over the course of this reporting period with the Public Advisory Group and the Licensee Team both approving the revised Terms of Reference in January 2005.

Percent of Timely Responses to Written and Documented Concerns

Statement of Measure	Management Objective
7-1.4 The percentage of timely responses to written and documented concerns categorized by value.	Annually, sustain 100% of timely responses to all written and documented concerns. (-10% variance)

Members of the Licensee Team solicit feedback on all public plans and receive ongoing general feedback regarding forest practices and management of the DFA. Public involvement is an important aspect of the SFM process, therefore it is the Licensee Team's responsibility to provide meaningful and effective opportunities to incorporate public input into the SFMP and respond to public concerns. A review of questions raised with regards to public plans and the number of responses put forth by members of the Licensee Team was analyzed for the reporting period and 94% of responses were completed in a timely fashion (i.e. within 30 days). It should be noted that BCTS was excluded from this measure as adequate tracking systems were not in place to accurately report the scope of all concerns identified and the time between identification and response.

The Level of Stakeholder Satisfaction with Forest Management

Statement of Measure	Management Objective
7-1.5, 8-1.3 Through an ongoing survey measure the level of satisfaction of residents, stakeholders and Aboriginal groups with the forest management processes and outcomes.	Annually, sustain a satisfaction index of $\geq$ 4 (-0.5 variance)

A survey to measure resident, stakeholder and First Nation satisfaction has not yet been developed. The Licensee Team has committed to developing the survey approximately 6 months after CSA certification. As such, there is no data to report for this measure for the current reporting period.

Opportunities for Proactive Public Involvement in Planning Processes

Statement of Measure	Management Objective
7-1.6 The number and variety of effective opportunities given to the residents and stakeholders to express forestry related concerns and be proactively involved in the planning processes (i.e. FSP, harvest and road schedules).	Annually, sustain$\geq$ 24 opportunities for residents and stakeholders to express forestry related concerns and be proactively involved in planning processes. (-4 variance)

The Licensee Team considers public values, interests and uses in all aspects of forest management. Providing effective opportunities for public input in the forest management process ensures that information is exchanged between Forest Licensees and members of the public. Each Licensee Team member compiled data for this measure for the period of April 1, 2004 to March 31, 2005. Table 17 provides a summary of this measure, demonstrating conformance with the management objective.

Table 17: Effective Opportunities Given to the Public to Express Forestry Management Concerns: April 1, 2004 to March 31, 2005

Description of Opportunity	Number of Opportunities
Open Houses	2
Individual Meetings	56
Letters	921
Newspaper Advertisements	27
Other	0
Total	**1006**

Public Review of SFM Plan

Statement of Measure	Management Objectives
7-2.1 The number of times the SFMP and associated annual reports will be communicated to the public for review and comment annually.	Annually, the SFMP and associated annual reports will be communicated to the public $\geq$ 1 time (0 variance).

This measure is one of a group of measures that will help to increase the overall understanding of sustainable forest management. The current SFMP is

undergoing review as each Licensee Team member approaches CSA certification. Once a finalized copy of the SFMP is produced it will be communicated to the public for review and comment. An opportunity was made available to the general public to review the SFMP and associated reports at a Open House held November 6th, 2004, which achieves the stated target for the current reporting period.

SFM Extension Activities

Statement of Measure	Management Objective
7-2.2 The number of opportunities provided for SFM extension activities per year.	Annually, sustain ≥ 4 sustainable forest management extension opportunities. (-1 variance)

The goal of this measure is to increase the collective understanding of SFM by both the forest industry and the public. SFM extension activities that occurred during the reporting period included educational programs at the elementary and secondary school levels, newspaper articles and 5 issues of Planscapes (a Canfor directed newsletter). These 4 sustainable forest management extension activities achieved the target for this measure.

Increase the Level of Understanding of SFM Annually

Statement of Measure	Management Objectives
7-2.3 Increase the level of understanding of sustainable forest management annually.	Annually, sustain an understanding index of ≥ 4 with survey results. (-0.5 variance)

This measure was designed to ensure that a collective understanding of SFM by the forest industry and the public is increased over time. A survey to measure the level of understanding has not yet been developed. However, the Licensee Team has committed to developing the survey approximately 6 months after CSA certification. As such this measure has no data to report for the period of April 1, 2004 to March 31, 2005.

Opportunities for First Nations to be Involved in the Planning Process

Statement of Measure	Management Objective
8-1.1, 8-3.1 The number of opportunities provided to Aboriginal people to be involved in the planning process.	Annually, sustain ≥ 12 opportunities for Aboriginal people to be involved in the planning process. (-2 variance)

Incorporation of Aboriginal people and their unique perspective into the forest planning process is an important aspect of sustainable forest management.

Table 18 lists the opportunities provided by the members of the Licensee Team during the current reporting period.

Table18: Opportunities for Aboriginal People to be Involved in the SFM Planning Process: April 1, 2004 to March 31, 2005

Opportunity Type	Number of Opportunities
Open House	1
Letters	33
Newspaper Advertisements	23
Pest Management Prescriptions	1
Individual Meetings	11
Total	**69**

It was determined during Canfor's CSA surveillance audit that this measure does not fully address the SFMP indicator: "Forest management recognizes and respects Aboriginal and treaty rights". An Action Plan was developed to revise the SFMP with methods/procedures that provide opportunities for Aboriginal people to become involved in the planning process (See Appendix I).

Review of PAG Terms of Reference to Recognize Aboriginal Treaty Rights

Statement of Measure	Management Objective
8-1.2 The SFMP PAG Terms of Reference will be reviewed annually to recognize that Aboriginal participation in the public process will not prejudice Aboriginal treaty rights.	Annually, the PAG Terms of Reference will be reviewed to ensure that the public process will not prejudice Aboriginal treaty rights 100% (0% variance)

As previously indicated, the PAG Terms of Reference underwent review over the course of this reporting period. The Public Advisory Group and the Licensee Team Members both approved the new Terms of Reference in January 2005.

Level of First Nation Satisfaction with Forest Management

Statement of Measure	Management Objective
8-1.4 Annually, through a survey, measure the level of Aboriginal satisfaction related to forest management.	Annually, sustain a satisfaction index of $\geq$ 4 (-0.5 variance).

A survey to measure Aboriginal satisfaction has not yet been developed. The Licensee Team is committed to developing the survey approximately 6 months after CSA certification. As such, this measure has no data to report for this reporting period.

Management Plans Approved by the Designated Decision Maker

Statement of Measure	Management Objective
8-1.5 The percentage of management plans approved in the DFA by the Delegated Decision-Maker.	Annually, sustain 100% of management plans approved in the DFA (0% variance.)

The premise behind this measure is that if the Delegated Decision Maker (DDM) approves a management plan submitted by any of the Licensee Team members, then by default the plan recognizes and respects Aboriginal and treaty rights. Licensee Team members tracked management plan submissions and subsequent approvals showing that 100% were approved by a Delegated Decision Maker.

Number of Socio-economic Opportunities Available to Aboriginals

Statement of Measure	Management Objective
8-2.1 The number of socio-economic opportunities afforded to the First Nations annually.	Annually, sustain $\geq$ 10 (-2 variance) socio-economic opportunities.

Providing business relationships, opportunities and cooperative working arrangements with Aboriginal people will help to provide mutual social, cultural and economic benefits to the communities within the DFA. Licensee Team members tracked the opportunities made available and any achievements realized throughout the reporting period. Table 19 lists the results of this tracking and demonstrates conformance with the target for this measure.

Table 19: The Number of Socio-Economic Opportunities made Available to Aboriginal People: April 1, 2004 to March 31, 2005

Opportunity Type	Number of Opportunities
Training and Extension	1
Forest Management Employment	1
Silviculture Employment	7
Harvesting Employment	13
Total	**22**

Number of Traditional Use Studies Used in the Planning Process

Statement of Measure	Management Objective
8-3.2 The number of Aboriginal forest based Traditional Use Studies (TUS) or traditional knowledge used in the planning processes.	Annually, sustain the use of $\geq$ 1 TUS or other type of knowledge information in the planning process. (0 variance)

This measure was developed in order to recognize the importance of using traditional information in the planning process. The objective of this measure is to contribute to the respect of social, cultural and spiritual needs of local Aboriginal people to maintain aspects of their traditional lifestyle. During the reporting period of April 1, 2004 to March 31, 2005 there were no Traditional Use Studies completed within the DFA. However an Action Plan to address some of the challenges in meeting this measure was developed during the reporting period (See Appendix I).

Number of Hectares and Proportion of DFA with Planned Access

Statement of Measure	Management Objective
9-1.1 The number of hectares and percentage of the DFA that has planned access (restricted and non-restricted) in place by access management area to provide a diversity of recreation opportunities	Annually, sustain 262,718.4 ha or 31.5% of the DFA in planned access areas. (0 variance)

The objective of this measure is to maintain a balance between restricted and non-restricted road access based on the Vanderhoof Access Management Plan. The Ministry of Forests and Range (MOFR) Access Management Plan is currently being revised with the assistance of the Integrated Land Management

Bureau (ILMB). As a result, there are no changes or updates to report for this measure for the current reporting period.

Number of Forestry Management Operation Lost Time Accidents

Statement of Measure	Management Objective
9-4.1 The number of company related forestry management operation lost time accidents each year.	Annually, Zero lost time company related forest management accidents (+2 variance).

The health and safety of forest workers and members of the public is an important quality of life objective that is essential to sustainable forest management. The data for this measure is a summary of Licensee Team member's EMS incident tracking. This review showed that zero lost time accidents were recorded from April 1, 2004 to March 31, 2005 within the DFA.

Forest Road Inspections that Meet Defined Safety Standards

Statement of Measure	Management Objective
9-4.2 The percentage of road inspections meeting defined safety standards.	Annually, sustain 100% of road inspections that meet defined safety standards. (-2 % variance)

Road safety involves maintaining road surfaces and access structures such as bridges at required safety standards. Road inspections were reviewed by Licensee Team members to identify those with safety issues. It became evident that more discussion and documentation regarding what constitutes a road safety issue needs to be undertaken to ensure consistent reporting within the DFA. In respect of those road inspections undertaken during the reporting period, 99% met the defined safety standards.

DFA Prescribed Burns that Follow Smoke Management Guidelines

Statement of Measure	Management Objective
9-4.4 The percentage of prescribed burns that follow the smoke management guidelines.	Annually, sustain 100% of prescribed burns that follow the smoke management guidelines. (-10% variance)

Members of the Vanderhoof PAG identified smoke management as a public concern and a potential area of improvement for members of the Licensee Team.

Smoke produced through forest management activities occurs during prescribed burning events and is regulated by management guidelines found in the Open Burning Smoke Control Regulation of the Environmental Management Act 2003. Each Licensee Team member reported the results for adherence to the smoke management guidelines. Results show that of the 2,534 prescribed burns that occurred between April 1, 2004 and March 31, 2005, 100% adhered to the smoke management guidelines. It should be noted that BCTS did not have specific smoke management guidelines in their TSL documents within this reporting period. As such, they were unable to verify that this measure was achieved or not. Therefore, they have been excluded from the sample.

APPENDIX I: CANFOR AUDIT ACTION PLANS, 2005

Action Plan 1 Measure 8-1.1 Opportunity for FN in Planning Process
CSA Z809 – 2002 Corrective Action Response for Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.4: *Choosing Indicators: "In the indicator selection process, interested parties should apply a set of quality criteria when assessing whether proposed indicators should be retained for use. Such criteria should include the following:*

c) Relevance - indicators should be clearly applicable to their associated value."

Discussion

The audit review of measure 8-1.1 (The number of opportunities provided to Aboriginal people to be involved in the planning process) indicated that the opportunities for First Nations to be involved in the planning process need to be tailored to the interests and needs of each First Nation. It also highlighted that the Licensee Team has communicated that a more tailored approach for each First Nation will be part of the Pro-active Planning Process and that a timeframe within which this process would be implemented was required. The audit review also suggested that the measure should be amended to reflect that consideration has been given to aligning the type of opportunity offered with each First Nation's needs and interests.

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 8-1.1 (The number of opportunities provided to Aboriginal people to be involved in the planning process) under the Current practices and state of measure section:

> Canfor's work plan describing the methods/procedures to be followed to develop and implement more relevant opportunities for Aboriginal people to become involved in the planning process is composed of the following key actions:
>
> - Approach First Nations to request assistance/information in the identification of their preferences when it comes to participation in planning processes
> - Gather and review pertinent information such as accepted industry Best Management Practices, to prepare a draft protocol of procedures and strategies
> - Canfor internal review of protocol procedures and strategies
> - Discussion of the proposed protocol procedures and strategies with affected First Nations and the Licensee Team, and where necessary revision of the protocol and strategies
> - Implementation of opportunities provided to Aboriginal people to become involved in the planning process.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is June 2nd, 2005 through to December 30th, 2005.

Process Update as of January 24, 2006:

August 22, 2005

The following bands were contacted in an attempt to start discussions surrounding the development of a communication protocol

- Cheslatta - Nadleh - Kluskus - Lheidli
- Skin Tyee - Saikuz

During this time, a draft version of a communication protocol was developed using Practical Guide to Effective Coordination of Resource Tenures (August 2004) as a guide/template.

The following is a list of the remaining bands and the date they were first contacted regarding the process for referrals and data exchange:

- Ulkatcho (Sept 15, 2005) - Yekooche (Oct 3, 2005)
- Nakazdli (Not yet contacted regarding communication protocol, there is no activity within their traditional area, as we have turned this area over to BCTS)

The development of Communications with bands has continued to the present, with the following "agreements" put into effect:

Stellaquo – For all proposed development within the Stellaten First Nation Territory, all block referrals will be directed to Robert Michell. If no comments

are received by the time the Cutting Permit is issued, then it can be assumed that there are no concerns from the band.

Nazko – After several revisions to the original Draft Communications protocol, a "final" version was sent to Bill Ostinstad on November 15, 2005 for their review. Have not received any comments back yet.

Cheslatta – prefer to not receive any referral information, as it is never used. The band has some key areas of concern (Murray Lake, Cheslatta falls and trail). Continue to send information.

The remaining Bands are at various stages in working through/with this proposal. For a variety of reasons, many of the bands are not pursuing this quickly.

It is felt that the conditions have been met within this action plan, even though the process is not completed. Canfor will continue to work with the effected First nations groups in creating a process for referrals that works for both the Band and Canfor.

Action Plan 2 Measure 1-3.1 Indicator Species Action Plan

CSA Z809 – 2002: Corrective Action Response (AP-2) for Minor Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of Measure 1-3.1 (Effectiveness Monitoring Plans (wildlife) are developed and implemented for selected indicator species to test management targets developed for indicators 1-1 and 1-2) indicated that this measure requires a workplan outlining timelines, milestones, and responsibilities. The January 2005 version of the SFM plan indicates that an Effectiveness Monitoring plan(s) will be developed by December 31, 2006 (+3 month variance).

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 1-3.1 (Effectiveness Monitoring Plans (wildlife) are developed and implemented for selected indicator species to test management targets developed for indicators 1-1 and 1-2) under the Current practices and state of measure section:

Canfor's workplan is composed of the following key actions. These actions describe the methods / procedures to be followed to develop and implement an Effectiveness Monitoring Plan(s) for selected indicator species:

- 1.0 Identification of Indicator Species

  (Jan, Feb, March –2006)

  - Approach qualified specialists to request assistance/information in the identification of the general location and type of indicator species to be considered
  - Gather and review pertinent information such as a literature review of indicator species.
  - Identify and confirm Indicator species
    - Use existing data where possible
- 2.0 Develop a Monitoring Plan

  (April – Oct – 2006)

  - Review of accepted industry Best Management Practices in order to guide the preparation of a draft protocol of procedures and strategies
  - Goal is the development of a reliable, cost effective monitoring process
    - Coordinate local and regional monitoring strategies
    - Use existing data where possible
    - Monitor and sample select geographical locations and populations
  - Review and define Monitoring and Sample designs
    - Identification of logistical and statistical sampling issues.
- 3.0 Review and Approval of Monitoring Plan
  (Sept, Oct – 2006)

- Discussion of the proposed Effectiveness Monitoring Plan(s) procedures and strategies with the Licensee Team, and where necessary revision of the plan and strategies

- 4.0 Implement the Monitoring Plan
  (Nov, Dec,06 Ongoing)
  - Establish baseline population data.
  - Monitor long term population trends and changes.
- 5.0 Continuous Improvement, Plan Review and Analysis

  (2007 & Forward)
  - Annual review of the Plan and results
  - Evaluation of the relationship between habitat use and condition, and population densities and trends through predictive models.
- 6.0 Training: Internal Canfor review/training of Effectiveness Monitoring Plan procedures and strategies to identify and manage indicator species

  (Nov, Dec, 2006)

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these workplan actions.

Timeline for completion – January 2, 2006 – December 31st, 2006.

Process Update as of January 24, 2006:

1 Identification of Indicator Species (November 2005 – March 2006)

- FIA Project # 2424036 – Riparian Sensitive Species
- Project Work Plan:
  - Management strategies for riparian sensitive terrestrial or aquatic species do not currently exist within the Vanderhoof DFA. Forest management, through the harvest of stands, affects the temporal and spatial distribution of seral stages. Current regulations and management practices within the DFA lean towards the retention of late seral or old coniferous forest adjacent to wetlands or riparian areas. This practice suggests a potential over representation of late seral forest types adjacent to riparian areas, which could potentially diminish riparian habitat and abundance of riparian sensitive terrestrial or aquatic species.
  - Canfor's SFM plan is committed to developing an implementation schedule for production and implementation of management strategies for riparian sensitive terrestrial or aquatic species. As such the primary objectives of this report will be to:
- Review all existing information on riparian sensitive terrestrial or aquatic species-habitat associations produced in BC, specifically for the PGTSA or areas surrounding or adjacent to the Vanderhoof Defined Forest Area (Vanderhoof Forest District).
- Review the information on riparian sensitive terrestrial or aquatic species-habitat associations and modify as appropriate for the Vanderhoof Defined Forest Area.
- Develop a scientifically defensible list of potential forest riparian sensitive terrestrial or aquatic species indicators (first cut) that occur in the Vanderhoof Forest District
- For each forest riparian sensitive terrestrial or aquatic species identified on the aforementioned list, provide draft management strategies (first cut) that can be used as links to operational plans and can be implemented through Site Plans where applicable.
- Project Deliverables:
- Interim report (timing to be determined with the proponents work plan and project schedule) for review by Canfor's SFM Group identifying:
- All source of material referenced
- First Cut list of indicators
- First Cut list of Management Strategies
- Final report. (March 2006)
- All source of material referenced

- Final list of forest riparian sensitive terrestrial or aquatic species indicators
- For each forest riparian sensitive terrestrial or aquatic species, identified management strategies that can be used as links to operational plans and can be implemented through Site Plans where applicable.
- This project has been established in accordance with this measure for riparian sensitive species. The results will be used to facilitate the continuing process of:
- Developing a monitoring plan (April – June, 2006)
- Review and approval of the monitoring plan (June – August, 2006)
- Implement the monitoring plan (August – December, 2006 Ongoing)
- Plan review and analysis (2007 & forward)

Action Plan 3 Measure 1-3.2 Species at Risk Action Plan

CSA Z809 – 2002: Corrective Action Response (AP-3) for Minor Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of Measure 1-3.2 (Develop "Management Strategies" for all Species at Risk) indicated that this measure requires a workplan outlining timelines, milestones, and responsibilities. The January 2005 version of the SFM plan indicates that a Management Strategy(s) will be developed by December 31, 2006 (+3 month variance).

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 1-3.2 (Develop "Management Strategies" for all Species at Risk) under the Current practices and state of measure section:

Canfor's workplan describing the methods/procedures to be followed to develop and implement Management Strategy(s) for Species at Risk is composed of the following key actions:

- Gather and review pertinent information such as identified Species at Risk in the Vanderhoof DFA and accepted industry Best Management Practices in order to prepare a draft protocol of procedures and strategies

  (Jan- Mar 2006)

- Approach qualified specialists to request assistance/information regarding management of identified Species at Risk

  (Jan- Mar, 2006)

- Discussion of the proposed Management Strategy(s) procedures and methods with the Licensee Team, and where necessary revision of the strategy(s) and methods

  (Apr – June 2006)

- Canfor internal review/training of Management Strategy(s) procedures and methods to identify and manage Species at Risk

  (Sept, Oct, 2006)

- Implementation of Management Strategy(s)

  (Nov, Dec, 2006)

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions.

Timeline for completion Jan 2nd 2006, through to December 31st, 2006.

Process Update as of January 24, 2006:

The work plan and procedures developed to date towards implementing Management Strategies for Species at Risk is composed of the following key actions:

- October 2005:
- An initial strategy for extension and training for species at risk (SAR) in the Prince George Timber Supply Area (PGTSA) was proposed through a project under the Forest Investment Account (FIA) funding program. The objective of this SAR Extension and Training project was to develop a PG TSA SAR awareness program that can be accessed by any interested parties. The focal point of the SAR extension was the development of a website where all the PG TSA SAR information would be centrally housed and available for anyone to access at any time (or optionally, have password protected areas for client use only). The website would also be interactive in nature, allowing field workers, naturalists, etc to provide information on SAR locations using Internet communication and mapping technologies.
- The investment manager's review of the proposed training and extension project identified that web site development are projects that are not eligible for funding under FIA.
- January – December 2006:
- Company Timber Supply-wide strategies for species at risk and identification of potential additional indicator species and subsequent development of monitoring plans will be extrapolated for implementation to the Canfor Vanderhoof SFMP DFA.
- Timelines and work plans describing the methods and procedures to be followed to develop and implement Management Strategies for Species at Risk will continue to follow the key actions outlined in the Action(s) to be completed.

Action Plan 4 Measure 1-2.4 Shrub habitat

CSA Z809 – 2002: Corrective Action Response for Minor Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.4*: *Choosing Indicators

Discussion

The audit review of Measure 1-2.4 (The proportion of shrub habitat (%) by Natural Disturbance Unit) indicated that this measure is based on a modelling assumption that early successional stands provide for shrub habitat. Audit findings suggest providing research that demonstrates this assumption is valid.

Action(s) to be Completed

Key actions to be followed to develop and implement corrective action plan:

- Approach qualified specialists to request assistance/information in the identification of shrub habitat and its relationship to early successional coniferous forest.
- Discussion of the proposed shrub habitat relationship with Licensee Team, and potential SFM Plan revisions.
- Provide research note to validate shrub and early seral assumptions.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions.

Timeline for completion May 1st, 2005 through to September 15th, 2005.

Process Update as of January 24, 2006:

July, 2005

Initiated discussions with Antti Makitalo (Forest Ecosystem Solutions) regarding the SFM and the measure surrounding the proportion of shrub habitat (%) by Natural Disturbance Unit.

After a short review period, Antti produced some proposed revisions to the wording in the plan. This is the email received from Antti along with the document outlining the changes:

July 15, 2005

Terry, I've attached a reworked section for the shrub write-up. The references are there, should you feel like adding them in.

We say in the plan: "Forecasting was completed for this measure by tracking the proportion of forest stands less than 20 years old over the full 250 year planning horizon. This measure represents early seral shrubs within the DFA with the following assumptions:"

This is not true. While we tracked early seral we did that for the sake of reporting on early seral. Shrubs etc. were a whole different story. Every stand in

the land base was linked to a FORECAST model curve. FORECAST models carbon, CWD and shrubs. It happens to model early seral shrubs for now and may model other kinds later once more research is done. So, if you harvest a lot and have a lot of early seral, you get early seral shrubs, whic the results show. If you follow a mature stand that gets harvested 20 years from now and reforested, there is a shrub development curve related to that stand.

We may still have to word smith things around but this should help.

Antti

Attached:

How will this measure be implemented, monitored and reported?

Remove the first sentence starting "Young forest less than 20 years old..."

Forecasting and probable trends of measure

Replace the first paragraph including bullets with the following:

While the presence and relative abundance (%cover) of shrub communities has been shown to be an important habitat element for many species, there is generally little available data describing the growth and development of such communities under different stand conditions. In general, our understanding of the developmental dynamics of shrub communities is derived from conceptual models of the successional stages of stand development (e.g. Oliver and Larson 1990). There are two basic approaches to modelling shrub development and abundance in the broader context of disturbance and stand dynamics. Each approach has pros and cons in terms of its applicability towards the development of an SFM plan. These are outlined below.

Successional models based on transition probabilities provide estimates of the abundance of distinct shrub community types found on specific site types. They are relatively easy to use and are usually strongly linked to observational data when calibrated. However, they require a large quantity of descriptive shrub cover data for a broad range of site types; stand ages, and disturbance types. These data are often not available. In addition, these models require the construction of detailed successional transition pathways and an associated probability matrix. They are also limited in their application in managed stands because of lack of long-term response data.

Resource competition models provide a flexible approach for estimating shrub cover as a function of resource availability (light & nutrients) accounting for the competitive effects of tree competition. They have generally lower calibration requirements, as the calibration is based on data describing the autecology of specific shrub species or groups. The development of shrub cover is modeled in conjunction with stand growth and development and associated silviculture thus providing an application that works with forest management.

Resource competition models are limited in their output to estimates of shrub cover by representative shrub groups rather than specific shrub communities. Their connection to observational data is weaker than that of empirical approaches and they often do not represent the full range of successional pathways.

A resource competition model FORECAST was utilized for this project, as it was the most feasible given the existing data and budget limitations. FORECAST has the capability to estimate shrub dynamics under a wide range of stand types and conditions. Moreover, since FORECAST is also used to project other indicators for the SFM framework, it provides an integrated suite of indicators that are linked to ecosystem structure and function.

While the FORECAST approach is limited in predicting the development of early seral shrub development, it has been shown to reproduce relatively realistic patterns of early seral shrub cover in coastal forest types when compared to ground estimates reported in vegetation inventory data (see Welham et al. 2004). There are plans to undertake fieldwork to validate the capability of the model to project patterns of shrub cover in the Prince George Region and to improve its predictive capabilities.

In the SFM analysis, the early seral shrubs species were assumed to be *Vaccinium* species for the ESSF, and **Vaccinium** and *Rubus* species for the SBS and SPBS. Site conversion or brush rehbilitation was not included in the analysis.

References

Oliver, C.D. and B.C. Larson. 1990. Forest stand dynamics. McGraw Hill Inc. NY.

Welham, C., B.Seely, and G. Bull (2004). Establishing targets and trajectories for selected ecological indicators of SFM on TFL 57. Unpublished report prepared for Iisaak Forest Resources Ltd. and FIA.

These changes were made to the plan and will be made available for review in an updated SFMP after the annual report is produced in 2006.

Action Plan 5 Measure 1-2.8 Plant Diversity Index

CSA Z809 – 2002 Corrective Action Response for Opportunities for Improvement

Standard and Clause N°: CSA Z809-02 @ 7.3.6.4

Discussion

The audit review indicated that the index does not retain the species identity and therefore cannot compare the species make-up of harvest and natural communities.

Action(s) to be Completed

Canfor's feels that this measure is an excellent measure for the indicator relating to biological richness. We have heard conflicting opinion from qualified specialists. We agree that while the measure is not perfect in every regard, it has merit for review and improvement. We propose to continue to work with our public advisory group, re-approach our qualified specialist(s), and review the measure and issues that have been identified around its inadequacy. Once this review is complete we will decide whether to retain this measure in its current state or modify it. The following is our work plan describing the methods/procedures to be followed to review this measure, and are composed of the following key actions:

- Approach all parties to re-clarify issues as related to measure adequacy and in- adequacy
- Gather and review pertinent information from Qualified Specialist(s).
- Present to PAG clarified issues and seek input on measure.
- Complete Canfor / Lic Team review of Measure.
- Re-Propose Measure to PAG for inclusion to or removal from the SFMP.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is June 1st, 2005 through to December 30th, 2005.

Process Update as of January 24, 2006:

This measure was reviewed with Dan Peltier from Timberline. It was felt by the Licensee Team that this is a suitable measure, and that it will be retained in the SFMP.

The information was presented a second time to the PAG during the Dec1, 2005 meeting. An action item that came from this was as follows:

Provide an update on the collection of data related to the plant diversity index, and invite a plant diversity index technical specialist to speak to the PAG

This action item was added to the "Parking lot".

It should also be noted that a FIA project is currently under way. The description of works being completed under this project is as follows:

- Update the plant diversity indicator protocol to include all forest licensees in the prince George TSA, using recently completed Predictive Ecosystem Mapping as a base inventory,
- Develop sampling strategy for determining plant diversity benchmark targets for managed stand plant diversity, based on naturally regenerating stands
- Develop an integrated, cost efficient strategy for monitoring plant diversity in managed stands
- Pilot test a monitoring system using regeneration and free growing surveys

To establish the natural range of variability for plant diversity changes over successional time, vegetation species and percent cover data is required for stands regenerating after a natural, stand initiating event. This data provides the ecological benchmarks for comparison with plant diversity of managed stands throughout the PGTSA.

Action Plan 6 Measure 3-2.2 Carbon Monitoring Action Plan

CSA Z809 – 2002: Corrective Action Response (AP-6) for Minor Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of Measure 3-2.2 (Carbon Monitoring Plan is developed and implemented for forest ecosystem biomass and carbon pools) indicated that this measure requires a workplan outlining timelines, milestones, and responsibilities. The January 2005 version of the SFM plan indicates that a Carbon Monitoring Plan will be developed by June 30, 2006 (+3 month variance).

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 3-2.2 (Carbon Monitoring Plan is developed and implemented for forest ecosystem biomass and carbon pools) under the Current practices and state of measure section:

Canfor's workplan describing the methods/procedures to be followed to develop and implement a Carbon Monitoring Plan is composed of the following key actions:

- Approach qualified specialists to request assistance/information in the identification of forest ecosystem biomass and carbon pools and the effects of harvesting on carbon sequestration in forest stands
  (Jan – June, 2005)
- Gather and review pertinent information such as accepted industry Best Management Practices, and conduct a literature review of carbon sequestration in forest ecosystems in order to prepare a draft protocol of procedures and strategies
  (May – Sept, 2005)
- Discussion of the proposed Carbon Monitoring Plan(s) procedures and strategies with the Licensee Team, and where necessary revision of the plan and strategies
  (Jan – Feb 2006)
- Canfor internal review of Carbon Monitoring Plan procedures and strategies to identify and manage forest ecosystem carbon sequestration
  (Feb – Mar 2006)
- Implementation of Carbon Monitoring Plan(s) strategies
  (Apr – May 2006)

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions.

Timeline for Completion: January 1st 2005through to May 1st, 2006

Process Update as of January 24, 2006:

Canfor's work plan describing the methods/procedures to be followed to develop and implement a Carbon Monitoring Plan is composed of the following key actions:

- Across most Canfor divisions, carbon represents a knowledge gap that is currently being addressed as a company wide initiative.

The following is the project proposal being submitted for FIA funding:

Development of Carbon Measures and Baseline Information for Sustainable Forest Management for Canfor Sustainable Forest Management Plans

Investment Rationale:
(Qualitative description and quantitative measures)

The aim of this project is to improve the stewardship of British Columbia's forests through the development of a knowledge base for sustainable forest carbon management. Forest managers are interested in forest carbon management because of their desire to achieve good forest stewardship and to attain certification in sustainable forest management. Canfor is pursuing the development of Sustainable Forest Management (SFM) Plans in areas where they

operate. Criteria and indicators have been established as part of the development of the SFM Plans.

A requirement of Canadian Standards Association (CSA) certification is an indicator related to carbon and its related cycles. In the CSA or Canadian Council of Forest Minister's Criteria 4 - Forest Ecosystem Contributions to Global Ecological Cycles, the criteria states that one must "maintain the processes that take carbon from the atmosphere and store it in forest ecosystems as well as protecting forestlands from deforestation or conversion to non-forests." Specifically, Indicator 3-1 and 3-3 in the SFM plans concern carbon storage and carbon sequestration processes being sustained. Across most Canfor divisions, carbon represents knowledge gap that is currently being addressed as a company wide initiative.

In order for forest managers to learn and understand how to better plan and manage their forests for forest carbon among other timber and non-timber values, it is critical to congregate existing information and provide forecasts of future forest conditions for resource assessment and trade-off analysis.

For forest certification purposes, the first step is to determine the baseline or current forest carbon condition. The current forest carbon condition would include carbon stored in the following carbon pools: aboveground biomass, belowground biomass, dead organic matter (snags, coarse woody debris and litter), and soils, as outlined in the IPCC Report of Good Practice Guidance for Land Use, Land-Use Change and Forestry (IPPC GPG-LULUCF, 2003).

The second step would be to predict future carbon condition given various scenarios. For example, in the Vanderhoof Defined Forest Area (DFA), one of the scenario analyses would be to predict future carbon conditions given current management practices, current harvest levels, and certain assumptions on natural disturbance. The forecast results would provide quantitative measures of both carbon storage and sequestration rates—the variation and range of carbon conditions that may be expected over time, which may provide an indication on the target and variance that the Public Advisory Group (PAG) may want to set for their carbon indicators and criteria.

As identified previously, across most Canfor divisions, carbon represents knowledge gap. This work plan is the development of carbon measures and baseline information for the Canfor Vanderhoof Division SFM. This project will serve as a template to other Canfor divisions for sustainable forest management plans. This project will be coordinated out of Canfor Vanderhoof Division.

Canfor Vanderhoof anticipates reviewing the proposed solutions with government agency staff for their input into the efficacy of the solutions proposed and to engage in technical and expert discussions on how forecast results may be used to develop scientifically-sound targets and variances.

Project Description

This project will focus on the forecasts of total forest ecosystem carbon in the Vanderhoof DFA. The forecasting results will be reported as outlined by the criteria and indicators developed in Canfor Vanderhoof Division's Sustainable Forest Management (SFM) Plan by the PAG. Under the SFM plan, the 'base case' is defined by current forest conditions and assumptions (i.e. 2005)[1].

The objectives of the project are:

1. To develop an accounting system of forest carbon in various carbon pools including: above ground biomass, below ground biomass, dead organic matter (snags, coarse woody debris and litter), and soils, as outlined in the IPCC Report on Good Practice Guidance for Land Use, Land-Use Change and Forestry (IPPC GPG-LULUCF, 2003);
2. To develop a knowledge base on the interactions and carbon transfer between different pools;
3. To predict current and future forest carbon conditions for the Vanderhoof DFA;
4. To demonstrate the integration of forest carbon in timber supply analysis where scenario analyses such as the impact of harvesting and natural disturbance would be conducted;
5. To show how forest carbon conditions changes over spatial and temporal scales;
6. To develop linkages between forecasted results and the CSA/ SFM framework (e.g. criteria and indicators, sustainable forest management plans, and monitoring guidelines); and
7. To provide a reporting protocol on forest carbon conditions in parallel to timber supply and CSA forecasting procedures. It should be noted that

[1] In the context of the Kyoto Protocol, the 'baseline' is forest carbon conditions in 1990. The development of a 'Kyoto baseline' will not be considered in this project but may be in the future when it is required by government policy.

this reporting tool is limited to the carbon storage in terrestrial forest ecosystems. A full comprehensive carbon accounting system may include emissions from harvest and forest management activities, the carbon balance from aquatic ecosystems, emissions from wood processing and the carbon storage in wood products, which is beyond the scope of this project.

8. To apply the beta-version of the Carbon Budget Model by the Canadian Forest Service (CBM-CFS3) to the Vanderhoof DFA, for trend and benchmark comparisons.

Project Methodology

The project will have two phases: 1) initial forest carbon analyses with forecasting results for the Vanderhoof DFA, and 2) the application of the CBM-CFS3 to the Vanderhoof DFA and analysis of forecasting trends between the results from Phase 1 and the CBM-CFS3.

For the first phase, carbon forecasting consists of a three-stage process by developing: 1) a Forest/landscape-level dataset containing forest inventory and resource management data (i.e. the timber supply model), 2) a stand-level carbon attribute database, and 3) linking the stand-level data to a landscape-level timber supply model and apply it to forecasting.

Forecasting results will be summarized for the Vanderhoof Defined Forest Area, which would track both the timber harvesting land base (THLB) and the non-harvestable land base (NHLB).

For the second phase, the goal is to evaluate the effectiveness of adopting the CBM-CFS3 to existing timber supply or other landscape level models used in forecasting SFM criteria and indicators. Furthermore, an analysis will be completed to compare the results between Phase 1 and Phase 2, as well as identifying any knowledge gaps. The management unit used for this analysis will be the Fort Nelson DFA.

This project accounts for the carbon balance in the DFA as set out in the SFM Plan; however, under the Kyoto Protocol, carbon in wetlands, non-commercial brush areas, and marginal lands may have to be considered as well. Canada has until 2006 to determine the definition of a 'managed forest,' by which carbon accounting rules will be applied.

Project Deliverables:

This project will provide 5 main deliverables:

Phase 1:

1. Documentation on how the analysis was done to provide guidelines for other licensee and policy makers on forest level carbon forecasting.
2. A preliminary analysis of current and future forest carbon conditions.
3. Report on scenario results and recommendations to forest managers on sustainable forest carbon management planning and analysis.
4. Stand-level carbon yield tables that were used in the analysis

Phase 2:

5. Report on the linkages between the CBM-CFS3 and timber supply models, and provide a comparison of forecasting results between the CBM-CFS3 and the approach taken in Phase 1.

Action Plan 7 Measure 4-5.3 Damaging Agents Action Plan

CSA Z809 – 2002: Corrective Action Response (AP-7) for Minor Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of measure 4-5.3 (Develop "management strategies" for damaging agents) indicated that this measure requires a workplan outlining timelines, milestones, and responsibilities. The January 2005 version of the SFM plan indicates that a management strategy(s) will be developed by December 31, 2005 (+3 month variance).

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 4-5.3 (Develop "management strategies" for damaging agents) under the Current practices and state of measure section:

> Canfor's workplan describing the methods/procedures to be followed to develop and implement management strategies" for damaging agents is composed of the following key actions:

- Approach qualified specialists to request assistance/information in the identification of damaging agents and determine which damaging agents are of concern to forest resources in the Vanderhoof DFA (Jan – June, 2005)
- Gather and review pertinent information, such as accepted industry Best Management Practices, to prepare a draft strategy(s) (May – August, 2005)
- Discussion of the proposed management strategy(s) procedures with the Licensee Team and where necessary revision of the strategy(s) (Sept – Oct, 2005)
- Canfor internal review/training of management strategy procedures to deal with damaging agents (Nov –Dec, 2005)
- Implementation of management strategy(s) for damaging agents (Nov –Dec, 2005)

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions.

Timeline for Completion January 3rd, 2005 through to December 31st, 2005.

Process Update as of January 24, 2006:

The document concerning Management Strategies for damaging agents was developed over the past year, with a draft version completed early January 2006.

The following are the updated timelines as per the action plan submitted:

- Approach qualified specialists to request assistance/information in the identification of damaging agents and determine which damaging agents are of concern to forest resources in the Vanderhoof DFA (Jan – Nov, 2005)
- Gather and review pertinent information, such as accepted industry Best Management Practices, to prepare a draft strategy(s) (Jan – Nov, 2005)
- Discussion of the proposed management strategy(s) procedures with the Licensee Team and where necessary revision of the strategy(s) (Jan 2006)
- Canfor internal review/training of management strategy procedures to deal with damaging agents (Feb – Mar, 2006)
- Implementation of management strategy(s) for damaging agents (Feb – Mar, 2006)

As the strategies within the plan reflect many of our current practices, the implementation of this plan is considered to be well under way.

Action Plan 8 Measure 8-3.2 Traditional Use Studies Action Plan

CSA Z809 – 2002 Corrective Action Response (AP-8) for Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of measure 8-3.2 (The number of Aboriginal forest based Traditional Use Studies (TUS) or knowledge information used in the planning processes) indicated that this measure requires an assessment of the challenges to meeting this measure. Audit findings also suggested the development of a workplan with timeframes to show how these challenges will be met.

Action(s) to be Completed

The following detail will be added to the SFM Plan, Measure 8-3.2 (The number of Aboriginal forest based Traditional Use Studies (TUS) or knowledge information used in the planning processes) under the Current practices and state of measure section:

> Canfor's workplan describing the challenges faced in achieving the traditional use study measure of the SFMP and timeframes detailing how these challenges will be met is composed of the following key actions:

- Gather and review pertinent information such as accepted industry Best Management Practices, to prepare a workplan defining how to meet TUS challenges

  (May, June, July – 2005)

- Approach First Nation(s)
  - Request assistance/information in the identification of the potential positive and negative implications of utilizing traditional information in forest planning.
  - Discussion of identified challenges to meeting Measure 8-3.2 with affected First Nations and the Licensee Team
  - Develop a MOU or like agreement, around the use of Traditional Information

  (August, Sept – 2005)

- Develop Work Plan and Strategies to collect TUS information.

  (Oct, Nov, -2005)

- Canfor internal review of Work Plan and strategies designed to meet Measure 8-3.2

  (Nov, 2005)

- Implementation of Work Plan, and strategies designed to meet Measure 8-3.2 in the DFA

  (Dec, 2005)

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions.

Timeline for Completion is May 2nd, 2005 through to December 30th, 2005

Progress update as of January 24, 2006:

August 22, 2005

The following bands were contacted in an attempt to start discussions surrounding the development of a communication protocol

- Cheslatta - Nadleh - Kluskus - Lheidli
- Skin Tyee - Saikuz

The following is a list of the remaining bands and the date they were first contacted regarding the process for referrals and data exchange:

- Ulkatcho (Sept 15, 2005) - Yekooche (Oct 3, 2005)
- Nakazdli (Not yet contacted regarding communication protocol, there is no activity within their traditional area, as we have turned this area over to BCTS)

Regarding Traditional Use Studies, the following are the comments received from the bands:

Nazko - The Band was not willing to release this information outside of their office.

Saikuz - The current Chief was not aware of any TUS material. Attempts will be made by Canfor to help locate material.

No other Bands have had a TUS completed within the Vanderhoof District.

Action Plan 9 Measure 3-2.1 Area Under Different Seral Stages

CSA Z809 – 2002 Corrective Action Response for Non Conformance

Standard and Clause N°: CSA Z809-02 @ 7.3.6.1: *"The organization working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address all the CSA SFM elements in Clause 6."*

Discussion

The audit review of measure 3-2.1(Area under Different Seral Stages) indicated that this measure requires an assessment of the challenges to meeting this measure. Audit findings also suggested the development of a work plan with timeframes to show how these challenges will be met.

Action(s) to be Completed

The development of this measure was contingent upon another process. The PG TSA Landscape Objective Working Group (made up of Licensees and MSRM) had the initial intention of determining targets for Seral Stages. This process was well under way during the development of

the SFMP and has now this goal has since been reviewed and these targets will not be defined. The LOWG process for determining OGMA is still intact and this measure has been retained. Specifically measure 1-2.6 The Minimum Proportion of late Seral Forest has been retained. Our Action Plan defining the development of Carbon Monitoring Plans is still intact, and currently being acted upon.

This measure (3-2.1) will be removed from the SFM Plan.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is May 1st, 2005 through to July 1st, 2005.

Progress Update as of January 24, 2006:

During the April 26, 2005 PAG meeting, seral stage distribution was dropped as an indicator. This was agreed to by the PAG.

Action Plan Opportunity For Improvement 01 Terms of Reference

CSA Z809 – 2002 Corrective Action Response for Opportunities for Improvement

Standard and Clause N°: CSA Z809-02 @ 5.31a)I), 5.3.1a)v), 5.4a)vi), 5.3.1a)xi)

Discussion

The Public Advisory Group (PAG) Terms of Reference does not clearly define:

- the breadth of the provision of resources and limits if any on what resources will be provided for the use of the PAG;
- the PAG's expectations for timely delivery of meeting materials that are to be reviewed prior to the next PAG meeting;
- topics or subject areas that are relevant to the SFM on the DFA and open for discussion at the PAG meetings;
- the mechanism for deferring unresolved issues into the "parking lot" and how/when they will be re-visited.

Action(s) to be Completed

Canfor will revisit its Terms of Reference with the Public Advisory Group. Our Review will be a fully encompassing review and will specifically address as a minimum the identified audit issues.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is April 26, 2005 through to July 1st, 2005.

Process Update as of January 24, 2006:

The PAG Terms of Reference was reviewed during the June 8, 2005 PAG meeting.

As this action plan was used as a basis for discussions surrounding the review of the TOR, all of the above action items were addressed.

Action Plan Opportunity for Improvement 02 SFM Scenario

CSA Z809 – 2002 Corrective Action Response (AP OFI-2) for Opportunities for Improvement

Standard and Clause N°: CSA Z809-02 @ 5.4 a)ii) &5.4 a)iii)

Discussion

Some of the PAG members expressed concern that the final SFM scenario was not thoroughly discussed and explained to them.

The audit team is comfortable that the Licensee Team considered the PAG's input, however, the presentation to the PAG describing how their input was incorporated could have been clearer.

Action(s) to be Completed

Canfor will ensure future presentations focus on ensuring that the PAG understands the presentations.

The PAG will be asked it they understand the presentation.

Questions will be encouraged.

Time will be allocated to ensure understanding of the presentation.

Terms of Reference will be reviewed and amended as required.

We will ensure the PAG members understand that consistent attendance to meetings is vital to the success of the PAG and Continuous Improvement of our SFMP.

It is the PAG members responsibility to attend meetings and stay current with issues, missed presentations will not be re-done at subsequent meetings.

This Specific presentation was technical in nature and was carried out over two PAG meetings where not all PAG members where in attendance of both meetings.

A written copy of the presentations will again be made available to the PAG members not in attendance.

Questions will be entertained from this handout.

Subject to PAG and Lic Team agreement, an additional meeting will potentially be scheduled to review the presentations and answer questions.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is April 26, 2005 through to July 1st, 2005.

Progress Update as of January 24, 2006:

1) A written copy of the presentations will again be made available to the PAG members not in attendance.

2) Questions will be entertained from this handout.

3) Subject to PAG and Lic Team agreement, an additional meeting will potentially be scheduled to review the presentations and answer questions.

During the April 26, 2005 PAG meeting, the following documents were redistributed:

a. PowerPoint presentation by Forest Ecosystem Solutions – Oct 14, 2004 Forecasting Indicators (24 pages) – redistributed

b. PowerPoint presentation by Forest Ecosystem Solutions – Oct 28, 2004 Forecasting Indicators (19 pages) – redistributed

During this meeting, the following was also discussed:

The Licensee Team handed out copies of the scenario presentations tonight and asked the PAG members for any questions to be presented at the next meeting.

No questions were brought forward during the June 8 PAG meeting.

Action Plan Opportunity for Improvement 03 Number of PAG Meetings

CSA Z809 – 2002 Corrective Action Response for Opportunities for Improvement

Standard and Clause N°: CSA Z809-02 @ 5.4 a) ii) & 5.4 a)iii)

Discussion

The target for Measure 4.52 (Number of Public Advisory Group Meetings Per Year) may be too low if it was developed without consideration of the "parking lot" issues. The Licensee Team could discuss with the PAG how many meetings will likely be needed each year, considering the issues that arose during the audit, the PAG work that still needs to be done, and the PAG's willingness to meet.

Action(s) to be Completed

Canfor will continue to review with the Public Advisory Group future meeting requirements as related to outstanding issues and the process for Continuous Improvement and Annual Reporting. To maintain PAG membership we need to remember the Previous PAG membership commitment was made with the understanding that there would be 2-3 Meetings per year once we completed the SFMP. Overall workload issues and the willingness of the collective PAG will drive the number of meetings per year. After we have completed the 2005 year we will review the measure target.

Responsibility:

Canfor's Strategic Planner will be responsible for implementation of these actions

Timeline: Timeline for completion is April 26, 2005 through to July 1st, 2005.

Process Update as of January 24, 2006:

During the December 1, 2005 meeting, the vast majority of items on the "Parking Lot" list were removed as they had been completed.

Recognizing this, it has been decided by the Licensee Team that the target of 2-3 meetings per year is adequate at this time. Following the distribution of the annual report, this item will be discussed with the PAG to determine if the PAG would like to see the target changed.