

**CSA Community Advisory Group  
To Western Forest Products  
September 4, 2013  
Western Forest Products Boardroom**

Attendance: refer to attached sheet

6:00 pm: Meeting called to order  
Quorum met.

**Safety Review**

Facilitator noted fire exits and first aid attendants in case of emergency. Meeting place in case of emergency was noted.

**Code of Conduct**

Code of Conduct for Community Advisory Group was reviewed.

**Welcome and Introductions**

Chair welcomed members and introduced guests.

**Review and Acceptance of Agenda**

Agenda was accepted.

**Correspondence**

Copies of recent correspondence was provided and reviewed

- Letters to PRPAWS
- Emails to FNs
- Minutes from BCTS meeting shared and accepted by email
- Letter to Paul Kamon, Director of Tourism
- Hazard alert email
- 

**Review and Acceptance of Minutes**

Minutes reviewed and accepted.

**Operational Information Map Review**

**Current Activities**

**Harvesting** – PD-167, PD-168, PD-197, PD-198, PD-199, PD-290, PD-302, PD-319, PD-421, PD-460, PD-462, ST-255, ST-264, ST-296, ST-327, UL-814, UL-838, UL-890, WL-345, WL-944, WL-950

**Road Construction** – BT-664 (curtailed for the summer season), GI-119, GI-131, GL-021, TM-256, UL-817, UL-816, UL-820, UL-828

**Engineering** – BT-915, CH-043, GI-062, GI-061, GI-064, GI-130, LL-012, ST-063, ST-273, ST-281, ST-283, TM-254, WL-042

**What's New on the Map**

**New Blocks** – ST-103, ST-108, ST-128

**New Roads** – None

**Cutting Permit Approved Areas** – None

There are no new blocks or roads planned along the Sunshine Coast Trail.

**Logging Complete** – LL-017, PD-280, PD-303, TM-243, UL-815

**Road Construction Complete** – UL-818, UL-827

**Engineered Blocks** – TM-246, TM-259

**Engineered Roads** – None

**Company Updates**

Stuart asked the group if any CAG members were interested in manning a booth at the Fall Fair on September 22<sup>nd</sup> and 23<sup>rd</sup>. There were not enough people available to make it possible.

Stuart and Paul Kamon, Director of Tourism Powell River picked a date for a field trip but the date conflicted with UBCM so they will be rescheduling a later date.

**Guest Speakers Jonathon Fung, CSA Community of Interest website**

Over the phone, using the projected CSA Community of Interest website, Jonathon walked the group through how to use different aspects of this social media type website. Jonathon showed the group how to log in and promised to send information so that the Stillwater CAG members could sign up. This website can be used to connect with or see what other CSA Community Advisory members, stakeholders and others are talking about.

This website works much like facebook and members of the site can follow feeds, comment, and post information that they wish to share. Private groups can be created to use for sharing things such as meeting minutes.

Question: If we posted documents how would a member of the public find the document?

At this moment this is a login only space so the member of the public would have to sign up for this website if they wanted to see posts.

**ACTION:** Jonathon to send information on how to sign in.

Question: When you create a profile how much of the information is available to people when they do a search within the site?

## *Minutes*

You can adjust the amount of visibility you wish to share.

### **Review of Cut Control Requirements**

Stuart was asked to explain how cut control requirements work as West Island has encountered difficulties caused by previous years' undercutting.

Cut control is the volume (m<sup>3</sup>) scaled against the Annual Allowable Cut (AAC) over a 5 year period. Each annual harvest is known and measured and the company is allowed to cut up to 110% of the total of 5 years annual allowable cut without penalty from the government. There are restart provisions such as changing the term from 5 years to 3 years. The Forest Act and regulations outline all of the requirements.

Question: Is it for just one specific area?

It is against whatever the management unit it is. So, for TFL39 for example, it is all of TFL39.

The volume includes: all of the scaled volume (including standing trees), avoidable waste, and volume transferred between licenses in the same management unit.

Question: How would you manage standing trees if you wanted to cut them down later?

You would just apply for the permit for that tree and it would get counted again.

Comment: So, you would pay for it twice?

Yes.

Question: How do the retention patches fit into it?

Retention patches are outside of the cutting authority areas.

There is no minimum requirement of cutting.

If you cut over the maximum of 110% of the AAC over a 5 year period the TFL holder pays a penalty of 2 x stumpage for any cut over the 110%. Overharvest volumes (over 100%) are carried forward to the next cut control period.

Question: Last year the cut was over 130% here. Were you charged for that?

No. The cut control period is over 5 years plus the cut control is measured on the TFL not just the Stillwater block.

There are no rules that say you have to log all of the AAC, but if you do not cut it the Crown has the uncut volume at their disposal. If there is unused volume the Crown can take it and allocate it as they please to different parties. If the Crown does not reallocate the volume it remains available to be harvested in the future.

## *Minutes*

Comment: How I understand West Island's dilemma is that the Cut Control rules played out for the company in a very disadvantaged way. Their AAC is approximately 1 million m<sup>3</sup> per year and due to the downturn they were undercut by about 1 million m<sup>3</sup> after 4 years. They feared that the government would take back the 1 million undercut so they decided to go for it and try to make up for their undercut during the last year of their cut control period. This meant they would be cutting 2 million. This meant they had to double the roads and double the planning. They were scouring for contractors because they now needed to cut twice as much. In our indicators we are looking for level cut levels and employment. Alberni had really low employment for a few years and suddenly they needed extremely high employment for 1 year and then they will be back to half the requirements next year. This was difficult for the community and the contractors. It was really hard in a lot of ways and not what the company wanted to do, but because of the legislation and the threat of the penalty of losing the volume they felt they needed to it.

Mike Davis said that the government does not have to take the volume away, but they can. If you can convince them that there were good reasons for not meeting your AAC they might say okay, try harder next time.

Stuart said that recently they have taken volume away.

Shannon Janzen said that it is different in different TFLs. The most recent one was TFL19 in Gold River. There was 1.4 million metres of uncut due to the 2008 downturn. The government looked at it and the rationale and retained less than half. They want to have some of it on the books because they have commitments to First Nations and other third parties. They will use the volume to fulfill those commitments. They are now focusing putting the uncut in the location that it was generated which is a positive policy coming from the previous Deputy Minister. The uncut volume would go to a non-replaceable forest license with a 5 year term on it. The 5 years can be extended.

Ken Mackenzie said that it is important to note that most undercuts are generated during economic downturns. They are not cutting for some very valid reasons. There is no market for the timber, the prices are down, they don't have the cash to harvest the timber and fortunately the shut down costs for larger companies like WFP are so high that they choose to operate. Others shut completely down during downturns. Where the problem lies is that the undercuts are generated during difficult economic times then during the good economic times when the prices are up and they have the capital to go logging they would like the opportunity to go back in and get that timber. The conversation going on right now is that perhaps the cut control period may not be right. Economic cycles run for around 5 or 6 years so it is likely there will be 3 difficult years during the 5 year cut control period. If the cut control period was longer companies could normalize the logging.

Question: How closely is stumpage moving with the market?

Ken said stumpage is accelerating very quickly right now, especially with second growth fir.

Comment: Another thing that was expressed in Alberni was that when timber is lost and given to someone else the group that receives the timber to cut is obligated to plant but they might not reforest with what the TFL holder wants. So the area comes back reforested but it might not fit with the company's plans. Can you speak about this?

## *Minutes*

Shannon said the way that the TFL system was set up was to give incentive for investment and planning over the long term. Back in 2004 when the Bill 28 take back took place is when other licensees got small volumes inside TFLs. Since this time it has become more difficult to plan for things such as silviculture, how you leave breaks (areas between blocks) and how you access blocks because there is more than one group operating within the TFL. In some ways this has created some incentive to work more closely with First Nations to ensure that they are sharing the benefits inside our licenses. It does create some problems when you are planning for the long term and someone within the license is planning for the short term because they have a short term license. It does cause some problems but also some opportunities for partnerships. It does detract from investment to have volume taken away as a result of uncuts or takebacks when looking at investment in mills and manufacturing.

Stuart said that when planning you have to always be thinking about the long run. You could get wood laid out and developed for the short term easily. You could go for the cheaper, faster wood but you are always thinking about the next pass and not just going for the short term block that limits your opportunities for logical harvesting in the future. It is definitely one of the challenges as you do manage differently if you are thinking of the long term.

Ken said that another challenge that the government has to handle with the undercut is that a lot of the time the undercut comes out of lower economic value stands. Companies can't afford to log them. Government has to be careful that when they are reallocating that they are reallocating into those stands. That has not always been the case in the past.

Shannon said that policy is only about a year old and they are trying to make it work.

Question: So, it is like for like?

Yes.

Question: Does BCTS operate under any kind of sustainable forest management certification?

They have SFI (Sustainable Forestry Initiative) over most of their business units. They did start with CSA in some places. They shared a public advisory group in North Island but have now gone blanket SFI.

### **Management Plan #9 – Guest Speakers Mike Davis, RFP – Planning Forester and Shannon Janzen, RFP – Chief Forester**

Mike gave the following update on the status of the management plan process and the AAC that has been put forward in the draft plan that is out for review right now. The draft management plan with the timber supply analysis went out for public review at the end of July and it wraps up on September 20<sup>th</sup>. After the 20<sup>th</sup> Mike considers any comments, makes changes to any of the documents that comments warrant, send in the final draft to government and eventually they will get a new AAC and an approved management plan for the TFL. Hopefully this will all be done by the spring.

They have recommended an AAC of 1.629 million m<sup>3</sup> for TFL39 as a whole. They have split it into 1.407 million m<sup>3</sup> for conventional harvesting and 222,000 m<sup>3</sup> for non-conventional (heli) logging. The total is down 13.6% from what they have now. Here at Stillwater they are recommending the Block 1 should have an AAC of 475,000 m<sup>3</sup> / year it would be composed of 386,000 m<sup>3</sup> conventional and 89,000

## *Minutes*

m<sup>3</sup> heli. That is up 16.4% from the current AAC of 408,019 m<sup>3</sup>. This split is referred to as a partition and they are now rethinking whether they wish to partition internally. The government pushed back on the idea. The thinking is tied to the cut control issues that Stuart just highlighted. If they generate unused volume they thought that the unused volume would most likely be in the heli part of the land base so they thought they might be able to help that rationale if they don't perform well. They thought they could say it came from the non-conventional and here is the number that you should measure us against. The government seems to think that this could still be done without the partition if it is discussed in the decision.

They looked at a number of values for heli opportunity and went with the highest number. The 89,000 heli is made up from historic performance plus opportunity that they think that they can take advantage of over the next few years as the markets seem to be improving.

They see Block 1 going up from 408 to 475 because the condition of forest in this area is prime. Relative to the rest of the TFLs there is a lot of older second growth. There is a lot more inventory out there today that is merchantable and economic to harvest.

Another strategy that the analysis tries to do is move towards the best estimate of the long term harvest for the land base. Mike showed a graph that compared the AAC contribution and long term harvest level of Block 1 over the years. The new AAC recommended for this area should better express the potential of the land base. The recommendation at 475,000 is slightly higher than the 460,000 estimated sustainable harvest level. This is to take advantage of the opportunity of better markets predicted over the next ten years.

Another reason for the significant increase over the last management plan is that the AAC has not been re-determined in 12 years. It was last done at the end of 2001 so it took effect at the beginning of 2002. At that time the AAC was supposed to be revisited every five years, so in theory it should have been done in 2007 and in 2012. It was projected that, if there had been no decreases to the land base, the AAC would have been 600,000 for Block 1 at this time.

The new AAC takes effect the day the decision is released. They proposed that the non-conventional volume have its own AAC number. If they go ahead with the idea to partition the non-conventional from the conventional volume they would have two AAC numbers.

Shannon said that as market conditions improve they want to be accessing that portion of the profile. A partition formalizes the harvest system with government. Whether that is done through a formal partition or through internal tracking is the conversation that WFP is having with government right now. The government is not too keen on setting up formal partitions partially because when they look back, WFP is performing fairly well in this area and generally a partition is something that they see as a disincentive for licensees and they are surprised that WFP is recommending one. WFP feels that regardless they would like to track conventional vs. non-conventional internally and use it as a business driver and use the upward swing of the market to access the volume.

Question: Do you have any control over what percentage you log right now? Does it have to be a certain amount each of fir, cedar, and hemlock?

## *Minutes*

Shannon said that government tracks what WFP does every year. They could choose to log off profile and take all fir if they wanted too, but they have no incentive to do that. Mills have a diversity of requirements and if they go for all high value they will pay really high stumpage. Incentives encourage logging across profile as much as possible.

Question: When you get a cutblock license do you have a certain period of time that it must be cut during?

Yes. You are given 4 years from the day the cutting permit is approved. You have to pay the stumpage whether you cut it or not. Legislation allows you to postpone permits and whatever window of time you had left when you postponed will be the time you have when you reactivated. You have to meet certain forest management requirements to be allowed to postpone.

Question: I have a specific question about the document. It is in appendix A item A4. It talks about a constraint in Block 1 that 80% must be second growth. Whose constraint is it?

That was a decision made with Ken and Stuart to reflect what is happening in the operation in the modelling world. The object is to get the most volume you can subject to leaving environmental and wildlife areas behind. The model will choose to log old growth first but that is not what is happening in the operation and you do not want a big disconnect between reality and the model. Therefore, you force the model to take a percentage of second growth right at the beginning of the period. It varies by operation. Here we chose to reflect what is happening with 80%. It is not a legal requirement; it is just the way the analysis is set up.

Question: Is this management plan in conformance with our indicators? In some of the landscape units we are behind the target for old growth in some BEC zones. Which comes first?

Old growth requirements come first in the model. The established old growth management areas are reflected and not available for logging in the model. If there is not enough old growth there is a constraint built into the model that says to set enough area aside to hit the old growth target as quickly as possible. Old growth has to be 250 years old and if there are stands out there that are 200 years old it will set those stands aside to age for another 50 years.

Question: There is another indicator that deals with seral stage and biodiversity? If you were going to target a lot of old growth when you are logging to profile would you still log to profile or would you change the forest?

Mike said that these indicators have not specifically been put into the model as a requirement but he could check to see what the outcome has been against them.

Question: Does not the model take out the old growth management areas, wildlife areas, and old growth recruitment areas as set out in the BEC units as part of the net down process? They would all be captured in the net down and the model would be applied to what land base is left over.

So, it depends on how much timber harvesting land base you have.

## *Minutes*

Stuart said that the indicator captures the full set of trees that are out there in the OGMAs, the reserves, riparian areas and so on and the model is outside of all of that. So, it depends on the age class of all of that at the same time as the harvest part.

Shannon said that the modelling is something that they struggle with internally with their board of directors as well because there is a conversation around the model which is basically extending through time to try to figure out what your timber supply is. Things like old growth and wildlife habitat are hard wired from the beginning and you cannot go to those places. We are just trying to figure out how you work through time to create those graphs of what your harvest level will look like.

Question: Indicator 1.1.4 talks about maintaining a broad range of biodiversity and WFP says they do it according to the Forest Strategy and the Forest Strategy has a retention system that keeps what the forest looks like. So your management plan will consider the constraints put on by the Forest Strategy?

Mike said yes. We basically do not know where the retention patches will be in the future, but there is a net down that is applied across the whole land base. For Stillwater there is an average of 5% net down for wildlife tree and retention patches. The land base is netted for all of the things we know of today such as ungulate winter ranges, wildlife habitat, riparian reserves, then they reduce by another 5% to account for those patches that will be left in the future. Future yields are reduced slightly to account for the shade effect of the patches that are left behind. The other model that is used to project future growth assumes that the area is in the center of a bright clear cut.

Stuart said if you picture a block that have retention patches in them and in 50 years there are trees that are 50 years older than they were at logging time so at that point they may wish to take the previously retained patch and leave another new patch behind. Now you have the 150 year old trees, the 50 year old trees and the trees just starting out through time. You will always have a shift of age classes through time.

Shannon said there is lots of research that shows ecosystem recovery and they show various stages of the recovery towards old growth that starts at fir or hemlock stands start to show old growth characteristics around 50 or 60 years through a graduated scale to about 250 years or higher. The research is becoming more and more important as a way of looking at time. Time is a hard thing to contemplate even while looking at a model. We are one of the few jurisdictions in the world that looks out 250 years into the future.

Question: So, the increase is possible even though there is a reduced land base because the trees are growing faster than previously predicted?

Mike said that yes, it is one contributing factor.

Question: Is there an average age when a healthy Douglas fir tree's growth will start slowing down?

Mike said that the growth curves do trail off and it varies depending on the site the tree is growing on. They do not have research that has measured a tree from birth to 250 years old, the longest measurement research is around 60 years so they are guessing that growth will slow between 100 and 120 years.

Question: Would it be logical to say they are becoming old growth at that time?

## *Minutes*

Shannon said that it is the characteristics of all of the individual trees. They start getting gap dynamics and different birds start coming in. We have variable retention because you want different age and different structure to get the diversity. They try to create diversity by having different ages, different edges and those types of things to create more old growth dynamics.

Question: I've learned recently that OGMAs are not just simply spatially defined. It is a fluid protected area isn't it?

Stuart said that under legislation you can move OGMAs, make amendments to OGMAs, and you can adjust OGMAs. It is not something that is generally done, but the ability is there. There are reasons why you might want to do it. OGMAs are created ahead of time and sometimes you can't predict how the land base might change. For example, you might find that you can no longer get access to an area due to changes in the land base that you could not predict when the OGMA was created so you would then apply to the government to amend the OGMA and replace it with an area that is exactly the same quality and area or more. It could also be recruitment OGMAs and so might not necessarily be old growth that is amended.

Question: Did any of the run-of-the-river transmission lines cut through OGMAs?

Stuart said that yes they did.

### **Field Trip to Powell Daniels**

A member provided a slide show of the CAG field trip up Powell Daniels to witness heli logging. The group boated up Powell Lake to Powell Daniels. They saw how trees were cut from either side and wedged to hold the tree up until the helicopter comes to pick it up and other interesting details of the heli logging process. The net pay load is 20,000 lbs so each pass has to weigh at least 16,000 lbs. to make this method of logging cost effective. The helicopters burn 2,000 litres per hour of fuel. It costs \$142 / minute. They target 24 seconds per load. Although the conventional logging of Powell Daniels is virtually complete there is a lot of wood available for heli logging mid slope.

Comment: I was impressed with the safety at every stage of this tour.

Question: Do you pay for the downtime when maintenance is needed on the helicopter?

Ken said that they pay a variable cost when it is operating and they also have to pay the fixed costs whether it is operating or not. So, when it is sitting there they are still paying for the fixed costs. The more hours they can get out of it the better. They are using the machine to partner with other tenure holders.

Question: I would like to ask a question about the Annual Allowable Cut (AAC). Now that newsprint is on the decline what happens to the wood that would have become pulp? Do you plan what you are going to cut differently now? Does climate change affect the way you plan now that trees can grow higher on the mountains and valley floors are changing?

## *Minutes*

Mike said they try to incorporate the latest thinking in their planning. There is a lot of research taking place regarding how climate change will affect our coastal forests. The pulp issue is an operational issue that the local office has to plan for.

Shannon said they have pulp commitments with Howe Sound, Catalyst and other mills. There is a certain sort that used to go to pulp which is being utilized at WFP sawmills. Some mills are using traditional pulp sorts that they didn't think was possible even a short while ago. As markets shift you can use different wood for different purposes.

Ken said that pulp is only 1% of their cut. They cut pulp on their conventional blocks but they would not cut pulp when they are heli logging. These second growth forests don't have rot like an old growth forest. The pulp is actually going into chip and saw logs or into small peeler logs. The 1% pulp that does come out is a really coarse log and it has form defect more than anything.

Question: Is the government okay with planting of different species due to climate change?

Stuart said they are currently restricted by seed transfer guidelines that say how far away a seed can come from or how far up and down the hill it can be planted. Research shows that seed lots from Oregon will likely grow the best in this area in the future. Currently legally you can't do that, but there is flexibility on where you take seed from and move it to. At this point Rudi might choose to transfer seed from a bit further south but that is all of the flexibility they have at this point. It will come down to government decision if they will allow seed to come across the imaginary line that Mother Nature is unaware of.

Question: Are they encouraging alder and maple?

Stuart said they had an alder workshop this summer and the government is happy for the company to grow alder stands as part of their land base. They have been planting a small number of alder stands. You can't go wrong with biodiversity.

### **Action List Items**

<b>Action Items</b>			
<i>Ongoing</i>	<i>Who</i>	<i>Meeting</i>	<i>When</i>

**Adjourned 8:55 pm**

**Stillwater CSA Community Advisory Group  
Western Forest Products  
September 4th Attendance**

Name	Position	Member Seat
PRESENT		
<b>Jane Cameron – Chair</b>	Primary	Member at large
<b>Mark Hassett</b>	Alternate	Contractor
<b>Nancy Hollmann</b>	Primary	Tourism
<b>Bill Maitland</b>	Primary	Local Business
<b>Debbie Dee</b>	Alternate	Local Governments
<b>Barry Miller</b>	Primary	Environment
<b>Read English</b>	Alternate	Local Business
<b>Paul Goodwin</b>	Alternate	Forest Dependent
<b>Rory Maitland</b>	Primary	Contractor
<b>Wayne Brewer</b>	Alternate	Tourism
<b>Colin Palmer</b>	Primary	Local Governments
<b>George Illes</b>	Alternate	Environment
<b>Rob Stewart</b>	Primary	Forest Dependent
<b>Cathy Bartfai</b>	Alternate	Member at large
<b>5 Seats represented</b>		
<b>ABSENT MEMBERS</b>		
<b>Russ Parsons</b>	Alternate	DFA Worker
<b>Ken Jackson</b>	Primary	Recreation
<b>Doug Fuller</b> Primary DFA Worker	Primary	DFA Worker
<b>Laura van Diemen</b>	Alternate	Employment & Education

*Minutes*

<b>Andy Payne</b>	Primary	Employment & Education
<b>Dave Hodgins</b>	Alternate	Recreation
<b>PRESENT</b>		
<b>Resource – others</b>		
<b>Stuart Glen</b>	WFP	
<b>Valerie Thompson</b>	Facilitator/Secretary	
<b>Ken MacKenzie</b>	WFP	
<b>Jason Gow</b>	PR Regional District	
<b>Mike Davis</b>	WFP	
<b>Shannon Janzen</b>	WFP	