

Chief Forester Order Respecting the AAC Determination for Tree Farm Licence 3

Section 8 (3.1) of the *Forest Act* stipulates in part that:

If... the chief forester considers that the allowable annual cut...is not likely to be changed significantly with a new determination, then...the chief forester by written order may postpone the next determination...to a date that is up to 15 years after the date of the relevant last determination and must give written reasons for the postponement.

In considering whether to postpone the next allowable annual cut (AAC) determination for Tree Farm Licence (TFL) 3, held by Interfor Corporation (Interfor or the “TFL holder”), I note that the last AAC determination for TFL 3, made on March 30, 2010, set the AAC at 80 000 cubic metres, unchanged from the previous AAC. In considering all the factors required under Section 8 of the *Forest Act*, I have reviewed the following:

Legislation

- *Forest Act* and regulations, BC Government, current to August 20, 2019.

TFL holder plans and timber supply review documents

- *Allowable Annual Cut Postponement Report – Tree Farm Licence 3*; prepared by Interfor Corporation (December 31, 2018);
- *Forest Stewardship Plan #658* Interfor Application to operations of Castlegar Woods Division and Grand Forks Woods Division in the Selkirk Natural Resource District. Arrow TSA, Boundary TSA & TFLs 3, 8, and 23 for the term of June 29, 2017, to June 28, 2022 (Version 2017-06-29);
- Letter from Interfor Corporation to Diane Nicholls, ADM and Chief Forester (September 21, 2018);
- *Provincial Timber Management Goals, Objectives & Targets, Management Unit Targets: TFL 03 Little Slokan* prepared by Ministry of Forests, Lands, Natural Resource Operations and Rural Development (August 31, 2017);
- *Postponement of Allowable Annual Cut, Forest Act, Section 8(3.1) Technical Summary for Tree Farm Licence 3* held by Interfor Corporation prepared by Ministry of Forests, Lands, Natural Resource Operations and Rural Development (August 9, 2019);
- *Rationale for the Allowable Annual Cut Determination for Tree Farm Licence 3* held by Springer Creek Forest Products Limited (March 30, 2010);
- *Timber Supply Analysis Information Package – Tree Farm Licence 3 – Timber Supply Review 3*; prepared for Springer Creek Forest Products Ltd. by Forest Ecosystem Solutions Ltd. (November 2008);
- *Timber Supply Analysis Management Plan No. 10 – Tree Farm Licence 3*; prepared by Slokan Forest Products Ltd. Slokan Division (May 2, 2003); and,

- *Timber Supply Analysis - Tree Farm Licence 3 – Timber Supply Review 3*; prepared for Springer Creek Forest Products Ltd. by Forest Ecosystem Solutions Ltd. (February 2009).

Land use, forest practices and other documents

- *Kootenay-Boundary Higher Level Plan Order*; prepared by BC Ministry of Sustainable Resource Management (October 2002);
- *Landscape Unit Planning Guide*; prepared by the Ministry of Forests and the Ministry of Environment, Lands and Parks (March 1999);
- *Young Stand Monitoring in the Kootenay Boundary Region: Plot Establishment Report*; prepared by Ministry of Forests, Lands, Natural Resource Operations and Rural Development (draft revised December 3, 2018. Version 2.2).

First Nations

- *First Nations Consultation Report on the TFL 3 and 23 Forest Act Section 8 (3.1) AAC postponement decisions* compiled by Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

TFL 3 is located in the West Kootenay region of the south-central interior of BC near the village of Slocan, about 70 kilometres north of Castlegar. The TFL is a single continuous unit bordered by Valhalla Provincial Park on the north, by TFL 23 on the west and southwest, and by the Arrow TSA on the south and east. The TFL is within the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (“the Ministry”) Kootenay-Boundary Region and is administered from the Selkirk Natural Resource District office in Castlegar. The total area of the TFL is 79 111 hectares, of which 58 997 hectares are considered productive forest.

Since the last AAC determination for TFL 3, changes to the land base, forest management practices and modelling information are as follows:

- *Riparian Management Areas* – minor changes to operating procedures within riparian management buffers have occurred. Additionally, as a result of First Nations review of riparian management, stream buffer widths have increased;
- *Wildlife Habitat* – Northern Goshawk stick nests have been identified and protected through the placement of wildlife tree patches, which are excluded from the timber harvesting land base (THLB);
- *Old Growth Management Areas* – the management and tracking of old growth management areas (OGMA) is currently under review by the Kootenay Boundary Region and the TFL holder. It is unknown what impacts this review will have on the THLB;
- *Biogeoclimatic Ecosystem Classification (BEC)* – BEC data covering the TFL has been updated;
- *Growth and Yield* – the timber yield projection model used for natural stands, Variable Density Yield Prediction (VDYP7), and the timber yield projection model used for managed stands, Table Interpolation Program for Stand Yields (TIPSY), have been improved;
- *Mountain Pine Beetle* – active management and salvage in mountain pine beetle impacted stands have concluded;

- *Douglas-fir Beetle* – there is increased salvage harvesting of timber impacted by Douglas-fir beetle; and,
- *Armillaria* – there has been increased stump removal for Douglas-fir stands infected with *Armillaria* root rot.

The base case analysis supporting the last determination projected that an initial harvest level of 80 000 cubic metres per year could be maintained for 10 decades, after which the harvest would drop to the long-term level of 72 500 cubic metres per year.

The forest cover inventory information used in the previous timber supply analysis was originally compiled in 2004 and statistically adjusted with Phase II field data in 2005. Since then, the inventory has been projected and updated annually by the Ministry. I note that recent updates to growth and yield projections and the preliminary young stand monitoring results suggest that the yields of managed stands may be higher than estimated at the time of the previous analysis. I note that higher managed stand volume estimates help support a sustainable timber supply at the level of the current AAC.

With regard to harvest performance, the TFL holder is harvesting a species profile that closely matches the available profile for the TFL, with the exception of cedar which is being harvested at a proportionally higher level than in the profile. A comparison of timber scale data and forest inventory data (used to create the species profile of the THLB) indicate an overharvest of cedar for the period from 2013 to 2017. I am concerned that the harvest profile demonstrated by the TFL holder has not aligned with the inventory species profile projected in the previous analysis, particularly for cedar. Therefore, as noted under ‘**Implementation**’, I expect the TFL holder to review the current Provincial Timber Management Goals, Objectives & Targets for TFL 3 to ensure compliance with performance metrics regarding the species harvest profile.

I am aware that harvest performance on average in the period from 2013 to 2017 in areas with steep slopes has been proportionately lower than the profile assumed to be available in the 2010 timber supply review. This may be hindering the TFL holder’s ability to consistently harvest the full AAC (approximately 84 percent of the AAC was harvested in the last cut control period from 2013 to 2017). For the next timber supply review, I request that the TFL holder review harvest performance in steep-slope areas and develop timber supply assumptions that appropriately represent that performance. As noted under ‘**Implementation**’, I expect the TFL holder to review the current Provincial Timber Management Goals, Objectives & Targets for TFL 3 to ensure compliance with performance metrics regarding harvest performance in steep terrain.

Regarding OGMA in TFL 3, biodiversity emphasis options (BEO) and requirements for old- and mature-forest retention have been legally established and are specified in the Kootenay-Boundary Higher Level Plan Order (KBHLPO). In landscape units with low BEO, the KBHLPO allows for old-seral stage requirements to be reduced to one-third of the required target, but the full target must be met by the end of the third rotation – a rotation being defined as 80 years in the KBHLPO. In some areas where there is surplus retention for biodiversity, some harvesting (without replacement) has occurred; however, this practice is currently under review

by Ministry staff and licensees. Analyses indicate that if harvesting in OGMAs (without replacement) continues, the mid-term drop in timber supply could be reduced. Conversely, if replacement areas are retained following harvesting, there is no impact to the projected timber supply. For the next timber supply review, I request that the TFL holder conduct analyses to determine if there would be a timber supply impact from meeting full old-growth targets in low BEO.

I am aware that an increase in the prevalence of Douglas-fir beetle and Armillaria root disease are significant forest health factors within TFL 3. I acknowledge that these factors have the potential to decrease future timber supply and that the base case in support of the last determination made no reductions for volume lost to the beetle and root disease. I acknowledge that the TFL holder is completing management activities to control the spread of these factors and that there are increasing opportunities to conduct salvage harvesting for timber damaged by the Douglas-fir beetle. However, at this time I am not concerned that the issues presented by the Douglas-fir beetle and Armillaria will significantly impact timber supply or have a measurable effect on the sustainability of a harvest level at the current AAC. I also reason that because the full AAC has not been harvested during the period since the last determination there is additional merchantable volume available to buffer against this uncertainty than was previously projected for this time. As noted under '**Implementation**', I expect the TFL holder to monitor and collect information regarding the impact of these forest health factors on timber supply and apply that information in the next management plan.

No formal public review around a Section 3.1 postponement was conducted or legally required. As required under Section 8 and 2 of the *Forest Act*, the TFL holder will solicit public input on the upcoming management plan for TFL 3.

First Nations Consultation

I am aware of the Province's legal obligation to consult First Nations on proposed forest management decisions and I recognize the importance of First Nations in decision-making with respect to matters that could affect their Aboriginal Interests.

First Nations with asserted traditional territory overlapping TFL 3 include: Adams Lake Indian Band, Little Shuswap Indian Band, Lower Similkameen Indian Band, Neskonlith Indian Band, Okanagan Indian Band, Okanagan Nation Alliance, Osoyoos Indian Band, Penticton Indian Band, Shuswap Indian Band, Splots'in First Nation, Westbank First Nation, Upper Nicola Band, and Ktunaxa Nation Council.

The consultation with First Nations on the proposed AAC determination postponement was carried out by the Rocky Mountain Natural Resource District office in Cranbrook.

On May 3, 2019, initial engagement letters were sent to all potentially affected First Nations which explained the Section 8 (3.1) postponement decision and requested feedback on Aboriginal Interests that may be affected by the postponement. The Upper Nicola Band had no comment and deferred to the Penticton Indian Band, Okanagan Nation Alliance, Westbank First Nation, and Okanagan Indian Band to review and reply; none of those bands submitted a

comment. Ktunaxa Nation Council did not submit a comment other than to change the status of the referral to assessment as part of their internal process, indicating an assessment must be completed by them. No other comments have been received.

On November 14, 2019, the TFL holder advised each First Nation that they were requesting that the postponement period be extended to March 30, 2023. In the letters, the company wrote that extending the postponement period would provide First Nations with additional time (2020/2021 field seasons) to conduct cultural use assessments and for community engagement. This extension will also enable the TFL holder to better incorporate First Nation values into timber supply review process.

On December 20, 2019, the Ministry wrote to each First Nation inviting them to inform the Ministry of any concerns that the First Nation has about the TFL holder's request to extend the postponement period. Replies with concerns or question were requested by January 17, 2020. No replies with concerns or comments were received.

In reviewing the consultation processes and responses received from First Nations, I am satisfied that the appropriate measures were taken by the Ministry to consult with First Nations regarding this postponement decision. As noted under '**Implementation**', I expect the TFL holder to work with the First Nations to ensure the collaborative project is completed and a management plan is submitted to the Ministry six months before the end of the postponement period. I note that this Section 8 (3.1) postponement aligns with a Section 8 AAC determination deferral, enabling a longer period for First Nations engagement and consultation. During the postponement period, if additional new information becomes available that might affect timber supply, the AAC could be revisited earlier than the postponement date.

Postponement Decision

From my review of the Section 8 factors, the available supporting information, and results from the timber supply analysis, I conclude that a harvest level equivalent to the current AAC of 80 000 cubic metres is feasible for the next 36 months with no appreciable impact to the mid- or long-term timber supply.

In reviewing the modelling assumptions and methods, I found no major errors or uncertainties with respect to the modelled land base or projected management practices. As such, I consider the harvest flow forecast presented in the 2009 analysis, which initiates at the current AAC, represents a reasonable projection of the current timber supply in TFL 3.

In reviewing the changes to the land base, forest management practices, and recent harvest performance, I have determined that the AAC for TFL 3, set March 30, 2010, would not likely change significantly with a new determination at this time. Where I have identified improvement that can be made to the information applied in the next timber supply review, I have specified an implementation instruction.

As discussed under *First Nations Consultation*, I commend the TFL holder for working collaboratively with First Nations to collect additional cultural heritage information in support of a more robust AAC decision that considers impacts to Aboriginal Interests. This decision

recognizes the need to gather additional information that may potentially impact the TFL holder's forest management plan and operations. A postponement of my AAC decision will allow time for this dialog to take place.

Under my authority as outlined in Section 8 (3.1) of the *Forest Act*, I hereby postpone the next AAC determination to a date on or before March 30, 2023, which is 13 years after the last determination. If additional new information becomes available and/or significant changes in forest management requirements occur that may have a significant effect on timber supply, I am prepared to revisit the next TFL 3 determination at an earlier date.

Implementation

In the period following this decision and during the postponement period, I expect the TFL holder to undertake the following tasks:

1. *Cultural heritage resources* – work collaboratively with First Nations to collect cultural heritage resource information within TFL 3 and revise the timber supply analysis and management plan accordingly;
2. *Revised management plan* – submit a revised management plan to the Ministry, six months before the end of the postponement period;
3. *Forest health monitoring* – monitor and collect information regarding the impact of Douglas-fir beetle and Armillaria root disease within TFL 3 to be included in the next management plan; and,
4. *Harvest performance* – manage and utilize the entire available timber profile in TFL 3 in a manner consistent with the March 30, 2010, AAC determination and the established Provincial Timber Management Goals, Objectives & Targets for TFL 3.



Diane Nicholls, RPF
ADM and Chief Forester

April 15, 2020

