

Chief Forester Order

Respecting the AAC Determination

for Tree Farm Licence 6

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) 6, held by Western Forest Products Inc. (WFP or the “licence holder”), I note that the last determination for TFL 6, made on February 10, 2012, set the AAC at 1 160 000 cubic metres. Effective January 1, 2015, the AAC was increased to 1 362 000 cubic metres to account for the consolidation of 45 680 hectares from TFL 39. In accordance with the enactment of the *Forestry Revitalization Act* in 2003, 11 578 cubic metres of the AAC were assigned to First Nations, resulting in 1 350 422 cubic metres available to the licence holder.

In considering all the factors required under Section 8 of the *Forest Act*, I have reviewed the following:

Legislation

- Province of BC. *Forest Act* Section 8 (3.1);
- Province of BC. Tree Farm Licence Management Plan Regulation (BC Reg 280/2009).

Licence Holder Plans and Timber Supply Documents

- Province of BC. *Tree Farm Licence 6 held by Western Forest Products Inc. Rationale for Allowable Annual Cut (AAC) Determination, Effective February 10, 2012*;
- Western Forest Products Inc. *Tree Farm Licence 6 Management Plan #10*. September 2011;
- Western Forest Products Inc. *Tree Farm Licence 39 Management Plan #9*. April 2014.

Land Use, Forest Practices and Other Documents

- Province of BC. *Postponement of Allowable Annual Cut for Tree Farm Licence 6*, Technical and First Nations Consultation Summary; presented at a meeting with Ministry of Forests, Lands, Natural Resource Operations and Rural Development staff (March 11, 2021);
- Province of BC. *Provincial Timber Management Goals, Objectives, and Targets*. July 10, 2017;
- Province of BC. *Provincial Timber Management Goals, Objectives, and Targets, Management Unit Targets for TFL 06 Quatsino*. August 27, 2020;
- Western Forest Products Inc. Letter from Western Forest Products to Gordon Nienaber (June 8, 2020), Request for Postponement of TFL 6 AAC Determination;
- Western Forest Products Inc. Request for Postponement of TFL 6 AAC Determination – Supplemental Information, August 7, 2020;
- Western Forest Products Inc. Memo – TFL 6 MP #10 Implementation Items Update, February 2, 2021;

- Western Forest Products Inc. Memo - Request: Additional Information to Support TFL 6 Postponement Summary Document, February 9, 2021;
- Western Forest Products Inc. *Tree Farm Licence 6 Instrument Number 101*. January 2015;
- Western Forest Products Inc. *Tree Farm Licence 39 Instrument Number 175*. January 2015.

First Nations

- *First Nations Consultation Report* on the TFL 6 Forest Act Section 8 (3.1) AAC postponement decision compiled by Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

Since the last AAC determination for TFL 6, several changes have occurred to the land base, forest management practices, and information including:

- the consolidation of 45 680 hectares from TFL 39, which increased the area of the timber harvesting land base (THLB) from 107 811 hectares to 133 665 hectares;
- acquisition of LiDAR information;
- additional reserves for old growth management areas (OGMAs) and wildlife habitat areas (WHAs);
- improvements in growth and yield modelling;
- improvements in site index estimates; and,
- increases in genetic worth values from the planting of genetically-improved stock.

The base case timber supply forecast from the timber supply analysis, completed by the licence holder in support of the 2012 AAC determination, projected an initial harvest rate of 1 160 000 million cubic metres per year, with a decline of five percent per decade for three decades, before reaching a mid-term harvest level of 943 500 cubic metres per year. The harvest flow then gradually increases to a long-term harvest level of 1 060 700 cubic metres per year. This base case did not include the consolidation of the area from TFL 39, which occurred in 2015 following the AAC determination. The timber supply forecast for the additional area, projected an initial harvest rate of 200 000 cubic metres per year for the first four decades, increasing to a long-term harvest level of approximately 240 000 cubic metres per year.

These two forecasts were combined for the technical review in support of AAC postponement. The combined forecasts projected an initial harvest level of 1 360 000 cubic metres year, with a decline of five percent per decade for three decades, before reaching a mid-term harvest level of 1 180 000 cubic meters per year. The harvest rate then gradually increases to a long-term level of 1 300 000 cubic metres per year.

In a letter sent to Forest Analysis and Inventory Branch on June 8, 2020, the licence holder requested that TFL 6 be considered for a two-year AAC postponement. In this request, the licence holder provided additional timber supply analyses that assessed the risk associated with maintaining the current AAC beyond the current 10-year deadline of February 10, 2022. The analysis provided two timber supply forecasts that maintained the current AAC for 15 years from the previous determination, but then projected two different decline rates of five percent and seven percent per decade. The former, replicated the objectives guiding the combined TFLs forecast, and the latter, evaluated an earlier transition to the mid-term harvest level to reduce the reliance on second-growth stands in the near mid term, accelerating the transition to the long term. The results of the analyses indicated that the short-term harvest level can be maintained at the current AAC for another five years without causing the mid-term harvest level to decline below the mid-term level of the combined TFLs forecast. The consequence of this delay is that

the mid-term harvest level must be maintained for an additional 5 to 15 years depending on the decline rate. However, the licence holder noted that the delay in the transition to the long-term harvest level may be less than indicated if the AAC postponement is only granted for two years instead of the five years modelled in the analysis.

I am aware that the licence holder has recently acquired LiDAR data for TFL 6 and I commend them for applying it to improve estimates of productive area, managed stand yield projections, identifying road right of ways, and operability mapping. The licence holder has suggested that further improvements using the LiDAR data to update the forest inventory, combined with further improvements in growth and yield modelling, site index, and genetic worth would result in projected volumes that are likely higher than demonstrated in the analyses provided. Therefore, as noted under '**Implementation**', for the next AAC determination, I expect the licence holder to continue improvements to the inventory using LiDAR data and provide an updated timber supply analysis.

With respect to harvest performance, I observe that the licence holder is demonstrating responsible practices by harvesting a profile that closely aligns with the available profile for the TFL and is within the allocated AAC. This commendable performance provides me with assurance when considering an AAC postponement and I expect similar performance to be demonstrated through the proposed 24-month postponement period to avoid any significant disruption of timber supply or environmental sustainability. I am, however, mindful of ensuring there is an orderly transition to the harvest of second-growth stands, and that there is a continuing contribution of these stands available for harvest through the transition to the time at which harvesting is entirely dependent on managed stands. Therefore, I encourage the licence holder to monitor the harvest contribution of managed stand harvesting, to ensure there is a sustainable harvest into the future.

I was presented information on the licence holder's harvest performance across the terrain profile of the TFL. I commend the TFL holder for their demonstrated performance in the more challenging terrain. In order to ensure that the economic viability of the TFL is maintained, I encourage the licence holder to continue to update their operability mapping using LiDAR data, and to continue to monitor and report on the actual harvest method used (cable, ground-based, or helicopter) for the next AAC determination.

There are no major insect or disease infestations in TFL 6, however, I encourage the licence holder to continue to monitor and report any forest health incidences associated with unsalvaged mortality or volume losses for the next AAC determination.

Although no formal public review was conducted regarding the *Forest Act* Section 8(3.1) postponement, the licence holder will solicit public input on the upcoming management plan for TFL 6 (in accordance with Section 6 of the Tree Farm Licence Management Plan Regulation, BC Reg. 280/2009).

First Nations Consultation and Collaborative Engagement

Recently, British Columbia (BC) created a framework for advancing reconciliation with Indigenous Peoples, in keeping with the Calls to Action of the Truth and Reconciliation Commission. The provincial government passed legislation in November of 2019 to implement the United Nations Declaration on the Rights of Indigenous People (UNDRIP). BC's *Declaration on the Rights of Indigenous Peoples Act (Declaration Act)*, aims to create a clear process by which Indigenous Peoples are a part of the decisions that affect them, their communities, and their territories. As such, First Nations Interests are an important consideration in making decisions related to timber supply.

First Nations with asserted Traditional Territory overlapping TFL 6 include: Kwakiutl, ‘Namgis, Quatsino and Tlatlasikwala. First Nations consultation was conducted by Ministry staff from the North Island–Central Coast Natural Resource District, concurrent with the licence holder also providing information sharing in support of the consultation process.

First Nations consultation was initiated in October 2020. Engagement letters were sent to all potentially affected First Nations, explaining the proposed AAC postponement, providing supporting information (including the *TFL 6 Rationale for AAC Determination*), extending an offer for meetings, and requesting feedback on potentially affected Aboriginal Interests by December 18, 2020. Follow-up emails were sent in November 2020 and January 2021 reiterating the request for feedback and advising of the finalization of the consultation report. No response was received from ‘Namgis First Nation. The Tlatlasikwala provided an email response and indicated that the overlap between their territory and TFL 6 was small and that they had no further comments at this time. I recognize that although responses were not received at this time, in the spirit of advancing reconciliation with Indigenous Peoples, I am open to taking into account information from First Nations, that is received throughout the timber supply review (TSR) process.

I understand that a response was received from Quatsino First Nations, requesting that I shorten the postponement period to six months (as opposed to the proposed 24 months) due to ongoing reconciliation discussions between Quatsino First Nations, the Ministry of Indigenous Relations and Reconciliation (MIRR) and the licence holder. While I acknowledge this request, I am mindful of my responsibility to consider all the information brought forward by Quatsino, as well as by other First Nations, and to allow adequate time for the submission of any recommendations or concerns. Furthermore, in light of the additional time required to complete the inventory updates using LiDAR data, to increase the certainty of the information for the AAC determination for TFL 6, I conclude that maintaining the proposed time frame of 24 months for the AAC postponement will allow for a more reasonable time frame for this work to be completed.

In the event that reconciliation discussions between Quatsino, the Province, and licence holder are finalized prior to the end of the postponement, or new information is brought forward regarding values and interest represented by the land use plan developed by Quatsino First Nation, the AAC could be revisited earlier than the postponement date, otherwise, this information will be reflected in the next TSR.

On November 20, 2020, the licence holder spoke with a member of the Kwakiutl First Nation who indicated the information provided by the licence holder would be shared with the Band Manager for a response. Although no response was received, I understand that the licence holder is currently engaged with the Kwakiutl First Nation to discuss the Indigenous values and Interests in the Kwakiutl First Nation’s land use plan, and how they might be incorporated in the TSR for TFL 6. I commend the licence holder for initiating a collaborative engagement process and encourage the completion of these discussions so this information can be incorporated in the next TSR.

To achieve greater understanding of cultural uses within TFL 6, and to reduce the potential impact on Aboriginal Interests, I encourage Ministry and licence holder staff to work collaboratively to improve the information sharing processes with First Nations on cultural heritage values within the TFL. This will improve the forestry practices necessary to protect and maintain these stewardship values, and I encourage monitoring of the effectiveness of such forestry practices.

In reviewing the First Nations consultation process with district staff, I conclude that the First Nations whose territories overlap TFL 6 were consulted in accordance with current provincial guidance. I am satisfied that consultations have been carried out in good faith and the Crown's process of seeking to understand potentially outstanding issues and impacts was reasonable. As noted under '**Implementation**', I expect the licence holder to work collaboratively with First Nations and Ministry staff to improve the information for cultural heritage values and revise the timber supply analysis and management plan accordingly, ensuring it is submitted to the Ministry, six month prior to the end of the postponement period.

Postponement Decision

From my review of the supporting information available, I conclude that a harvest level equivalent to the current AAC of 1 362 000 cubic metres is consistent with and supports sustainable forest management, with no appreciable impact to timber supply.

The analysis provided by the licence holder demonstrated that delaying a pending decrease in timber supply for five years could delay the transition to the long-term harvest level; however, the 24-month term of the proposed postponement significantly moderates this consequence. This is balanced with the expectation that improvements in the inventory and growth and yield information, that are to be completed by the next AAC determination, will support a more robust analysis.

As discussed under '*First Nations Consultation and Collaborative Engagement*', this decision recognises the need to address concerns from the First Nations regarding their desire to complete discussions and gather additional information that may potentially impact the licence holder's forest management plan and operations. I commend the licence holder for working collaboratively with First Nations to collect additional cultural heritage information in support of an AAC decision that considers the impacts to Aboriginal Interests. A postponement of my AAC decision will allow time for this dialogue to take place with all affected First Nations.

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 February 10, 2024, which is 12 years after the last determination. If additional new information becomes available and/or significant changes in forest management occur that may have a significant effect on timber supply, I am prepared to revisit the next TFL 6 AAC determination at an earlier date.

Implementation

In the period following this decision, and during the two-year postponement period, I expect the licence holder to undertake the following tasks:

1. *Forest inventory* - for the next AAC determination, I expect the licence holder to update the forest inventory using LiDAR information and quantify any impacts to timber supply.
2. *Cultural heritage values* – I expect the licence holder to work collaboratively with First Nations and Ministry staff to improve the information for cultural heritage values and revise the timber supply analysis and management plan accordingly.

It is my expectation that the implementation instructions included in the *Tree Farm Licence 6, held by Western Forest Products, Rationale for Allowable Annual Cut Determination* (Effective February 10, 2012) will also continue to be implemented.



Diane Nicholls, RPF
Chief Forester

April 29, 2021

