

APPENDIX III

STATEMENT OF MANAGEMENT

OBJECTIVES, OPTIONS,

AND PROCEDURES



TREE FARM LICENCE 43
THE BROADLEAF TREE FARM LICENCE

STATEMENT OF MANAGEMENT OBJECTIVES,
OPTIONS, AND PROCEDURES

For the Preparation of:

MANAGEMENT PLAN #4

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TREE FARM LICENCE 43 - BROADLEAF TREE FARM LICENCE
MANAGEMENT PLAN #4

STATEMENT OF MANAGEMENT OBJECTIVES, OPTIONS, AND
PROCEDURES

1.0 INTRODUCTION

Tree Farm Licence (TFL) 43 was granted to Scott Paper Limited in 1985 for the management of cottonwood (*Populus* spp.) in order to fulfill the fibre requirements of the Western Manufacturing Division's groundwood pulpmill located in New Westminster, B.C. TFL 43 is the only tree farm licence in B.C. that permits the exclusive right to manage the Crown land for the purposes of harvesting and growing of deciduous species.

TFL 43 is relatively small in size, of approximately 10,000 hectares. It consists of three distinct blocks situated within the flood plains of the Fraser, Homathko and Kingcome rivers. This bottom land is ideally suited to the management of *Populus* species. The TFL 43 area is in proximity of the following communities: Chilliwack, Agassiz, Powell River, Port McNeill and the First Nation settlement GWA YEE at Kingcome Inlet.

This Statement of Management Objectives, Options, and Procedures (SMOOP) is a preliminary plan for the management of TFL 43. It outlines Scott Paper Limited's management objectives, issues and opportunities that will be addressed in the submission of Management Plan #4. In addition, the preparation of the timber supply analysis is described within this document. The SMOOP will be reviewed by various Government agencies, First Nations, interest groups and the public. Further modifications may be necessary as a result of the referral comments. The approved SMOOP will form the basis for the preparation of Management Plan #4 which covers the period of January 1, 2000 to December 31, 2004.

1.1 COMMITMENTS

Scott Paper Limited continues to pursue the original commitment to convert the current mixed species stands within the Fraser, Homathko and Kingcome blocks to *Populus* species. This commitment is accomplished by converting on an annual basis an amount of area as specified in Clause 9.01 of the TFL document. It is expected that by the end of the first rotation a balanced age class distribution will be achieved.

On October 30, 1997 Scott Paper Limited's portion of the Allowable Annual Cut of the TFL was reduced to 41, 657 m³ effective June 3, 1997, from 43, 440 m³ as a result of transfer of ownership of the Company.

The basis for the TFL application was to obtain a secure supply of cottonwood to be used in the manufacturing of consumer and commercial tissue products. This supply of cottonwood fibre remains a vital component of the fibre requirement of the Western Manufacturing Division.

2.0 MANAGEMENT OBJECTIVES

(a) Timber Management

- Manage the lands within TFL 43 to maximize the production (growth) of *Populus* species pulpwood on a sustained yield basis. This basic long term objective will be accomplished by adhering to the principles of integrated forest resource management and the regulatory framework of the *Forest Practices Code of B.C. Act and the Forest Act*.
- The company proposes the continuation of the of the area based conversion control consistent with in clause 9.01 of the TFL document. The current approved conversion requirement is 128.4 hectares per year as stated in Management Plan #3. A new area conversion will be established as part of Management Plan #4 AAC determination process. The planned outcome of this conversion program is to have the net available productive forest land within TFL 43 occupied by cottonwood/hybrid poplar pulpwood stands by the end of the first rotation with as balanced an age class distribution as possible.
- The company will harvest the full profile of the net available productive land base based on approved operability assessments. The cottonwood timber harvested will be used by the company while the other species will be sold in accordance with the requirements in the TFL document.
- Scott Paper Limited will harvest the AAC as determined by the Chief Forester of B.C. within the allowable limits for the licence. In addition, the company will cooperate with the Ministry of Forests to ensure that the Small Business Forest Enterprise Program allocation of the AAC is identified.
- The harvesting operations will be planned to provide flexibility to benefit from market conditions, capital, resource allocations, and to salvage damaged timber where feasible within the cut control regulations.

- Ground skidding is the predominant harvesting method used on TFL 43 with overhead cable systems and hoe forwarding used to a limited extent.

(b) Non-Timber Values

(i) Recreation Management

- The Company will continue to provide for dispersed recreational use by maintaining access routes to various areas within and adjacent to the Fraser Block of the TFL (subject to the cooperation of other landowners). However, The remoteness of Kingcome and Homathko Blocks, along with the access limitations due to flooding of the Fraser River islands during the freshet, restricts the use of the TFL lands for recreation purposes.

(ii) Visual Landscape Management

- Visual quality will be maintained at a level that is consistent with the prescribed Visual Quality Objectives for the area. Only the Fraser Block of TFL 43 is considered visually sensitive as both the Homathko and Kingcome Blocks are remote areas with limited public use.

(iii) Biological Diversity

- The objective is to maintain biodiversity at the landscape level consistent with the ecosystem and forest management requirements on TFL 43. As well as being guided by various government policies, Scott Paper Limited will conserve biological diversity on the TFL area by:

⇒ providing landscape and stand level reserves (such as the Homathko Forest Ecosystem Network) and other areas reserved from harvesting as the basis for biological diversity on TFL 43. Because significant areas within and adjacent to the TFL are reserved from harvesting (Parks, Protected Areas, Forested Ecosystem Network, Riparian Reserves, Wildlife Habitat Areas, inoperable and inaccessible areas), Scott Paper Limited proposes a low biodiversity emphasis for the remaining net available and productive forest land within TFL 43 lands.

Stand level biodiversity requirements will be guided by Ministry of Forests' policy direction. Scott Paper Limited may seek variation from Stand Level requirements given the unique nature of the licence.

- ⇒ Preserving the indigenous *Populus trichocarpa* gene pool through supporting the current ecological reserves, maintaining streamside buffers and critical wildlife habitat areas, and the collection and archiving of natural provenances of black cottonwood with the cooperation of other companies and agencies.
- ⇒ Incorporating the results of Landscape Unit planning into TFL 43 biodiversity planning requirements.

(iii) Soils

- Maintain the productive capacity of the soil by minimizing site degradation and limiting the amount of area occupied by permanent access structures. Improve the soils through the application of organic amendments where appropriate and desirable.

(iv) Water Resources

- The dynamic nature of the large river systems that Scott Paper Limited operates within limits the company's ability to influence the water quality and quantity. Scott Paper Limited's objective will be to maintain the natural existing water quality on the TFL and strive to limit the introduction of deleterious materials from forest management operations that could reduce water quality (i.e. site preparation).
- There are no designated community watersheds within TFL 43 at the present time and Scott Paper Limited will work with MELP to minimize adverse impacts to licenced water users.

(v) Cultural Heritage Resources

- Archaeological impact assessments and/or other field surveys will be the basis for determining the extent of cultural heritage values with TFL 43 lands. Areas identified as important as determined from these surveys will be protected from development.

(vi) Fisheries Habitat

- Scott Paper Limited's objective is to protect fisheries habitats during forest management activities such as harvesting, road building and site preparation. In addition, Scott Paper Limited will participate in habitat enhancement and restoration projects with cooperation and guidance from government agencies responsible for managing fisheries values.

- (vii) Wildlife Habitat
 - In consultation with MOELP the company will identify critical areas required for wildlife purposes and prepare management prescriptions that retain these areas during forest management activities. In some instances important habitat areas may be included as WTP's. Where appropriate the company will seek to improve wildlife habitat.

- (viii) Range Management
 - There are no range values on TFL 43 lands due to the nature of the vegetation of these alluvial sites. Severe brush competition and flooding limits the growth of range species.

- (c) Integration of the harvesting activities on the TFL for purposes other than timber
 - The company will work closely with other resource users and agencies by planning and integrating these other resource values with the forest management activities on the TFL.

- (d) Forest Fire prevention, suppression, and fuel management objectives
 - Scott Paper Limited will comply with the Forest Fire Prevention regulations of the *Forest Practices Code of B.C. Act*
 - The objective of fire suppression action: will be to control all wildfires by 10:00 a.m. on the day following discovery.
 - The fuel loading is low in most areas due to close utilization and deciduous slash. In addition, the location of the TFL lands adjacent to rivers results in a very low fire hazard.

- (e) Forest health, including disease and pest management objectives
 - Forest health strategies that minimize losses from fires, insects, diseases and other abiotic damaging agents will be developed to protect and enhance the productivity of the forest. These strategies will be developed in consultation with MOF forest health specialists.

- (f) Silvicultural Objectives
 - The primary goal of the silviculture program for TFL 43 is to restock all denuded areas with *Populus* species (including native cottonwood and hybrid poplar) on a pulpwood management regime. All harvested lands will be restocked with an acceptable regeneration delay period of one year on the Fraser Block, and three years on the Homathko and Kingcome Blocks.

- The current target stocking is 900 well spaced stems per hectare with the minimum acceptable level of 500 well spaced. Lower stocking levels may be used in areas where other objectives (i.e. wildlife management concerns, small patches low bench sites - site series 10) justify such a standard and upon the approval of the Ministry of Forests.
- Scott Paper will fulfill the basic silviculture obligations in accordance with the approved Silviculture Prescription for the area.
- Incremental activities will be carried out to meet the requirements of a prescribed silvicultural regimes and subject to the availability of funding.

(g) Road construction, maintenance and deactivation

- The company's road construction, maintenance and deactivation plans is based on the requirement for long term access for harvesting, protection and silvicultural purposes while taking into consideration the relatively low risk and hazard potential of roads located on flat alluvial ground.
- The company recognizes that some roads may be deactivated seasonally and permanently to maintain wildlife habitat or fish habitat values and this will be done in consultation with Fish, Wildlife and Habitat Protection Branch.

(h) Public Involvement

- Scott Paper Limited will be proactive and seek public input into various planning activities by referring plans to interested parties and agencies. The management plan public involvement will be as per the approved Review Strategy.

(i) First Nation Communities

Scott Paper Limited will continue to consult with First Nation communities in whose traditional territory the company operates.

3.0 MANAGEMENT ISSUES

1. Issue: Operability mapping verification is required to ensure that the Riparian and biodiversity requirements of the Forest Practices Code Act of B.C. have been considered.

Action: Review operability mapping in preparation of Management Plan #4 by using economic, accessibility and stand quality criteria. The alluvial nature of the TFL lands will result in some previously operable areas being declared inoperable as a result of the riparian requirements of the *Forest Practices Code of B.C. Act*. In particular, the Homathko Block will be closely reviewed in this regard due to the presence of several areas with braided stream channels.

2. Issue: Erosion/Accretion of land base

Action: The TFL consists of alluvial flood plains and the dynamic nature of the rivers result in erosion and accretion. An accounting of loss of land due to erosion and addition through accretion will be done as part of MP #4. A table will be prepared as part of the Timber Supply Analysis Information Package showing land base changes due to erosion and accretion between the last inventory update for MP #3 and new inventory update for MP #4.

3. Issue: Conversion of Homathko and Kingcome Blocks to second growth cottonwood/poplar stands.

Action: An estimated time frame indicating the completion of conversion of current cottonwood/conifer stands to second growth cottonwood/hybrid poplar stands will be presented as part of proposed MP #4. The estimate will be based on the current conversion rates of net available productive land base. In addition, the 20-year plan will provide a graphic validation of this process.

4. Issue: Transition to volume-based timber supply analysis.

Action: The Chief Forester's approval letter for Management Plan #3 and the Rationale for Allowable Annual Cut determination instructed Scott Paper Limited to prepare a volume-based analysis for the Fraser Block of TFL 43. As such, Scott Paper Limited will carry out a volume-based timber supply analysis for the Fraser Block using the available but relatively limited growth and yield data. The company believes it is still prudent to use an area-based approach given the short rotation lengths and relatively uniform sites in the Fraser Block, and the limited amount of growth and yield data. Subsequent volume-based timber supply analysis in future MP's will be able to utilize improved growth and yield information based on the currently established, but immature permanent sample plots.

5. Issue: Site Productivity and Site Index assignment

Action: Site index assignments will be refined to accurately reflect the growth potential of the area. Scott Paper Limited will explore the appropriateness of using SI values at age 15 or 20 for future MP's given the rapid growth rates and relatively short rotation ages for cottonwood/hybrid poplar stands on TFL 43.

6. Issue: Harvest Ages and Regeneration delay

Action: Harvest age is largely a function of desired product objective and harvesting priority. The current product objective is to produce a pulpwood stand of minimum average diameter of 35cm DBH with a minimum 60-points photo volt reflectance-meter base fibre brightness. The re-measurement of Permanent Sample Plots will provide better growth information which could lead to refinement of harvest ages for cottonwood/poplar stands. Regeneration delay period used in MP #3 will be used for timber supply analysis for MP #4.

7. Issue: Growth and Yield of hybrid poplar/cottonwood on TFL 43

Action: The Permanent Sample Plots on TFL 43 will be re-measured and the information collected will be used for developing a growth and yield model for regenerated stands on TFL 43. Preliminary discussions with the Research Branch of the MOF have revealed that the best approach may be to develop simple straight line yield model for the Fraser Block given the short rotation lengths. Scott Paper Limited will work with Research Branch and prepare an acceptable yield model to be used for the volume-based timber supply analysis, and comparison with the area-based.

8. Issue: Biodiversity/FEN mapping requirements

Action: Further refinements to the Biodiversity and Forest Ecosystem Network strategies will be made as a result of Scott Paper Limited participation in the MOF/MOELP led Landscape Unit and Biodiversity Emphasis Option planning processes. It is expected that the current Forest Ecosystem Network (FEN) along with other reserve areas will be the basis for biodiversity conservation on the TFL.

9. Issue: The SBFEP allocation within TFL 43

Action: Scott Paper Limited commits to cooperating with the Ministry of Forests Small Business Forest Enterprise Program to facilitate the harvesting of this volume. An action plan will be developed in consultation with the Ministry of Forests to encourage the harvesting of this apportionment which reflects the average profile and economic operability on the TFL.

10. Issue: Consistency of administration procedures for cut control

Action: Develop a set of administrative procedures for cut control purposes that are consistent with the requirements of the *Forest Act* and the licence document. Since an area-based approach is used for the timber supply analysis and the licence document, Scott Paper Limited proposes to continue the use of a volumetric equivalent for cut control administration.

11. Issue: Lower Mainland Protected Area Strategy decisions

Action: A plan to incorporate pending decisions from the Lower Mainland Protected Area Strategy regarding the Fraser Lowlands and Homathko Estuary will be developed as part of MP #4. Scott Paper Limited will actively participate in seeking solutions to the Fraser Lowlands that minimize impacts on the Fraser Block land base and this will form the basis for a landscape level reserve.
A decision regarding the Homathko Estuary as a Protected Area has been announced and this will be incorporated. The Company will work with the Ministry of Forests to resolve this issue prior to the proposed MP #4.

12. Issue: Site Degradation and Disturbance Limits

Action: Examine the current site disturbance limits and determine their applicability to the operations within TFL 43. A proposal will be developed as part of MP #4 that recognizes harvesting systems, silvicultural objectives, site factors and operating requirements in the Fraser, Homathko and Kingcome Blocks of TFL 43. The current strategy during harvesting encourages skidder operators to knock down brush and disturb the soil in order to reduce brush competition and enhance natural regeneration. This practice has been employed successfully in the past, and the resiliency of these sites coupled with prompt regeneration maintains the productive capacity.

13. Issue: Environmentally Sensitive Area mapping

Action: Environmentally Sensitive Area (ESA) mapping will be reviewed and updated as part of the productive land base determination for MP #4. Appropriate area net down factors will be applied to the ESA categories 1 and 2.

14. Issue: Access development and deactivation in the Homathko Block

Action: Concern has been expressed by BC Environment with respect to grizzly bears. The access requirements are based on harvesting and silvicultural activities. The Company will cooperate with MOELP to resolve areas of concern during the Forest Development Plan review process.

15. Issue: Riparian Management Area requirements

Action: The implementation of the of the *Forest Practices Code of B.C. Act* riparian requirements will likely require further reductions to the net available productive land base of the TFL. The riparian habitat requirements contained within MP #3 will be reviewed and updated to ensure consistency with the protection requirements of the *Forest Practices Code of B.C. Act* and the unique site specific attributes of the TFL.

16. Issue: Decay, Waste and Breakage

Action: In conjunction with the Inventory Branch determine appropriate decay, waste and breakage factors consistent with species attributes on TFL 43. Decay, waste and breakage factors are very insignificant in the younger cottonwood/poplar stands. Agreed upon factors will be used for timber supply analysis.

17. Issue: Acceptability of Red alder regeneration in the Kingcome and Homathko Blocks

Action: Red alder is sometimes a significant component of stands being harvested in these Blocks. Natural regeneration of cottonwood in these stands is abundant and alder regeneration is occasionally present. The ecological suitability of red alder merits consideration as an acceptable crop tree. Scott Paper Limited will outline a proposal for consideration within proposed MP #4 for acceptance of red alder as a minor component of a stands in Homathko and Kingcome Blocks.

18. Issue: Treaty Negotiation Process

Action: A summary updating the current status of the treaty negotiation process for lands within TFL 43 will be included with proposed MP #4.

4.0 MANAGEMENT OPTIONS

An assessment of using an intensive management regime that includes site clearing, aggressive brushing and weeding along with the use improved hybrid poplar regeneration stock for areas within the Homathko and Kingcome Blocks may be presented as part of management plan #4.

The timber supply analysis will include other landbase and/or management options as required. The proposed management options that will be assessed as part of timber supply analysis includes:

- Current management scenario - A Landbase option that will use the full land base and forest inventory with applied reductions/constraints.
- Enhanced Management scenario - A Management Option that will examine the implications of gains from enhanced silvicultural activities such as genetically superior clones and fertilization.

5.0 TFL 43 INVENTORIES

INVENTORY	DATE OBTAINED	PLANS FOR MP #4
Forest Cover	Original Inventory completed mid to late 1980's. Updated every 5 years using aerial photography. Last updated in 1993 to account for harvesting.	Update using 1997 aerial photography. Collect new Fraser Block volume information for the volume-based timber supply analysis.
Recreation Inventory and Analysis	1994. Accepted by MOF.	Update analysis for MP #4.
Fisheries	On-going as part of the operational planning for forest development.	Continue as required for the forest development planning.
Wildlife	1994.	None planned except for ESA/FEN mapping.
Cultural Heritage Resources	On-going as required for operational planning.	Overview assessment if FRBC funding is obtained, otherwise continue as required for operational planning.
Visual Landscape	1994.	None.

6.0 TIMBER SUPPLY ANALYSIS

Scott Paper Limited will prepare a timber supply analyses indicating projected harvest levels based on the management objectives, issues and options described above. These analyses will aid in the development of an allowable annual cut recommendation to the Chief Forester for approval in MP #4.

The factors influencing the timber supply analysis include the available land base, timber inventory, growth and yield projections, and management constraints.

Scott Paper Limited will conduct a number of different timber supply analyses depending upon the issues identified. The currently planned analysis scenarios are:

- Current management regime using an area-based analysis for Fraser, Homathko and Kingcome Blocks.
- A volume-based analysis for the Fraser Block of the TFL, to compare with the area-based approach. This will utilize the available growth and yield data collected from TFL 43 Permanent Sample Plots.

Other scenarios based on additional gains from using intensive silvicultural practices or changes to the net available productive land base may be analyzed.

A forest simulation model approved by the Ministry of Forests Timber Supply Branch will be used to conduct the timber supply analyses.

6.1 Area-based Analysis

It is Scott Paper Limited intention to continue the use of area-based approach for timber supply analysis purposes. The area-based approach has been used in the previous management plans and it is still the most logical, appropriate and measurable means of managing the TFL given the relatively uniform alluvial flood plain land base of the TFL.

6.2 Volume-based Analysis

As per the direction of the Chief Forester a volume-based analysis will be prepared for the Fraser Block of the TFL. A volume-based analysis for the Fraser block was requested to allow comparison with the area-based approach used previously and initiate transition to volume-based analysis for TFL 43. A straight line yield curve will be used to model stands in the Fraser Block for the purposes of this volume-based analysis. This yield curve will be based on the localized information collected from the Permanent Sample Plots and volume/age measurements on TFL 43.

7.0 COMMENTS FROM THE REFERRAL OF THE SMOOP

The public review of the draft SMOOP took place during the months of January and February of 1998. Advertisements appeared in local newspapers in Chilliwack, Powell River and Port McNeill in the last week of December and first week of January as well as provincial circulation through the BC Gazette.

A toll free phone number was available for the period of December 28, 1997 to February 15, 1998. Generally there was very little public interest as only 4 requests were received for the draft SMOOP via the toll free number..

Approximately 28 direct mail out copies of the draft SMOOP were sent to government agencies, First Nations, interest groups and other interested individuals. Responses were received from 6 parties and their comments are summarized below.

7.1 Summary of Comments received

Source of Comment	Comment	Modifications as a result of comment
MOELP - *FWHP	Convert only operable land base	No change as it is understood we only log the operable land base and operability is refined for each MP in consultation with MOF
MOELP - FWHP	The objective is to maintain biodiversity at the landscape and stand level ...	Incorporated into the SMOOP conditionally as stand level requirements will be determined by discussion with MOF/MOELP
MOELP - FWHP	Fraser Block landscape reserves	Await decision from Fraser Lowland PAS Strategy process. Identified as an issue for this MP. Incorporate outcome of this decision along with existing parks and other reserves for landscape level reserves. Generally limited as land base is limited and fragmented
MOELP - FWHP	Low BEO for Homathko	Advisory comment. Need to discuss rationale as large reserves have been designated

MOELP - FWHP	Indigenous gene pool and Ecological Reserves	No Change as Ecological Reserves 40A, 40B and 76 are adjacent to TFL 43 lands
MOELP - FWHP	Rare site associations	Will be addressed within managing for biodiversity. Review CDC to determine location and extent of some of these site associations. Generally difficult to conserve as little exists particularly in Fraser
MOELP - FWHP	Water Resources - add an example at the end ...could reduce water quality (i.e. site preparation).	Added to SMOOP text
MOELP - FWHP	Fisheries Habitat - add site preparation to management activities.	Added to SMOOP text
MOELP - FWHP	Wildlife Habitat - add second sentence	Added to SMOOP text
MOELP - FWHP	Range Management - Change forage to range	Done
MOELP - FWHP	Silviculture Objectives - add a reference to wildlife in second sentence	Done
MOELP - FWHP	Road Construction, Maintenance and Deactivation - statement recognizing that deactivation of some roads is important to maintain wildlife and fish habitat values	SMOOP modified to reflect the comment

MOELP - FWHP	Operability mapping - use of inoperable areas for biodiversity	The FEN designation will allow better planning of biodiversity requirements. In the case of TFL 43 riparian requirements are likely to reduce the operable land base. These areas should contribute to both stand and landscape level requirements
MOELP - FWHP	Why the need for volume based timber supply analysis	Incorporated in the issue dealing with volume based analysis. Only the Fraser Block is proposed for volume-based analysis. CF has asked for volume-based analysis to ensure consistent approach to AAC determination
MOELP - FWHP	Biodiversity/FEN mapping Fraser	Incorporated as an issue related to Fraser Lowland PAS Strategy. Inoperable as well other areas reserved outside the TFL will be included in a Biodiversity/FEN mapping. The outcome of Fraser Lowland PAS decision will be basis for FEN/Biodiversity mapping
MOELP - FWHP	Homathko FEN/Biodiversity mapping	Advise only and expect Homathko LU to incorporate current FEN
MOELP - FWHP	ESA mapping	Ei designation currently not used. Understand that inoperable areas contribute to total biodiversity requirements
MOELP - FWHP	Access development and deactivation in the Homathko Block	No action required
MOELP - FWHP	Acceptability of Red Alder	Acknowledge MOELP support. MOELP should understand that regenerated areas contain a mix of species not just cottonwood/hybrid poplar

MOELP - *Water Res.	Add a statement to ensure adequate sediment and erosion control	Our past experience does not support this type of statement as erosion is largely uncontrollable
MOELP - Water Res.	Water Resources - consider deletion of dynamic nature of large river systems and reference to no designated watersheds	Reference to watersheds added but dynamic nature of large river systems has been kept to allude to the fact that Scott Paper Limited's has little control over river flow and resulting
*FVRD	Referral of SMOOP to District of Chilliwack and District of Kent	SMOOP was referred to these local governments

*FWHP - Fish, Wildlife and Habitat Protection

*Water Res. - Water Resources Section

*FVRD - Fraser Valley Regional District

A public review summary for the draft SMOOP will be submitted under a separate covering letter.

APPENDIX 1

THE OBJECTIVES FOR EMPLOYMENT AND ECONOMIC OPPORTUNITY

Scott Paper Limited employment levels are well above the normal rates for the forest industry on a per cubic metre basis. The 1996 Price Waterhouse Report on the Forest Industry estimated 4.0 direct and indirect jobs dependent on every 1,000 cubic metres of timber harvested. In the case of Scott Paper Limited over 13 jobs are directly attributable per 1,000 cubic metres of AAC. Using the same approach as the Price Waterhouse Report of 2 indirect jobs per each direct job, this number rises to 39 jobs per 1,000 cubic metres of AAC.

1.1 Direct Work Activities and Population Centres

The Greater Vancouver area is the predominant beneficiary of the economic benefits derived from operations at the Western Manufacturing Division in New Westminster. The manufacturing facility is the largest industrial tax provider to the City of New Westminster. The approximately 622 permanent employees reside in various municipalities within the Greater Vancouver area. A major proportion of the employees are unionized (90%).

In addition, the manufacturing facilities regularly use a number of contractors to perform work on various projects within the mill.

The employment level of the Western Manufacturing Division at New Westminster is as follows:

Category	Number Employed
Hourly unionized employees	532
Salaried unionized employees	18
Salaried Employees	72
TOTAL	622

Information Services - Contractor	12-15
Forestry Contractors	
Harvesting	Seasonal 10-12
Silviculture	Seasonal 10-12
Others include layout, cruising, mapping etc.	Seasonal 4-6

These forestry contractors are generally from the local communities adjacent to the TFL Blocks, Lower Fraser Valley (Chilliwack, Kent, Abbotsford and Mission), Homathko (Powell River, Campbell River) and Kingcome (Tsawataineuk Band).

Another significant aspect of direct employment is Scott Paper Limited's purchase of market kraft pulp which is used for the production of tissue products. The majority of this market kraft pulp is purchased from B.C. pulp mills. Approximately 60-65 tonnes of market pulp are purchased on a yearly basis.

1.2 Indirect Work Activities and Population Centres

The manufacturing facility generates a significant number of indirect jobs through the goods and services provided to the mill. These include material suppliers, technical experts in engineering, communication goods and services, transportation and utility services, and maintenance and construction services. Again the greatest beneficiary of these indirect jobs are the communities of the Lower Mainland area.

Another aspect of indirect employment is the "induced" employment as a result of expenditures from households that derive income from Scott's operations. Examples include restaurants, grocery stores, automobile dealerships, retail stores and other good and services consumed by these direct and indirect employees.

1.3 Aboriginal Involvement

Scott Paper Limited has had an ongoing working relationships with aboriginal peoples in the vicinity of TFL 43. In particular, the members of bands adjacent to the Fraser Block and the Tsawataineuk Band in Kingcome Inlet have played an active role in the operations on TFL 43. Members of the Ohamil, Skwah, and Seabird Bands have participated in harvesting portions of the volume available in the Fraser Block and have been employed to carry out planting and other silvicultural activities.

In the Kingcome Block the majority of the harvesting is done by the Tsawataineuk Band members along with all of the silvicultural activities. The aboriginal component of the workforce is significant considering the relatively small size of the TFL 43. Depending on the season and harvesting activity, up to 15 out of a workforce of approximately 30 can be aboriginal.

1.4 Objectives

The company intends to maintain the current employment levels given the market conditions, fibre supply and demand for tissue products. Ongoing capital investments will continue to ensure the Western Manufacturing Division is an economically efficient facility.

1.5 Special Projects

No special projects are planned or anticipated at this time.