



*"From a single seed
we can grow a
Forest of Ideas"*

TFL 49

ECOLOGICAL FOREST STEWARDSHIP PROJECT

PROJECT SUMMARY

Prepared by

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EXECUTIVE SUMMARY

Riverside Forest Products Limited (Riverside), the Ministry of Forests (MoF), the Ministry of Water, Land and Air Protection (MWLAP) and the Ministry of Sustainable Resource Management (MSRM) are committed to trusted and sound forest stewardship practices. While these practices have continued to improve over time and have changed the complexion of forest stewardship in British Columbia, there is general agreement that the existing forest management system is prescriptive and process orientated, accountabilities are unclear, and the system contains constraints to industry competitiveness, productivity and revitalization.

Riverside believes that innovative new approaches must be found that will promote enhanced sustainable forest stewardship, and make the administrative and regulatory framework for management of forest resources more efficient and cost-effective. To meet this challenge, Riverside made the decision in the fall of 1998 to initiate the Ecological Forest Stewardship Project (EFSP) on Tree Farm Licence (TFL) 49. TFL 49 is held by Riverside and is located in the central Okanagan in the southern interior of British Columbia. The TFL covers 145,000 hectares and has an Allowable Annual Cut (AAC) of 380,000 cubic metres including the Small Business Forest Enterprise Program (SBFEP) AAC of 36,905 m³.

Key objectives of the EFSP include:

- A. Creating and implementing a cost efficient ecologically-based forest resource management system that pursues environmental sustainability, community stability and economic security; and,
- B. Field testing a workable results-based regulatory framework that shifts administrative effort from managing processes to managing for results.

Riverside has received strong support for the EFSP from senior public servants in the government of Premier Campbell. Riverside and these officials feel that the EFSP presents a unique opportunity for the government to test or initiate a number of aspects of its New Era strategy and Core Review Strategy. These include:

A. The creation of a globally competitive forest industry with high environmental standards

Riverside's EFSP will introduce an ecologically-based and sustainable forest resource management model that will help the BC forest industry protect and enhance access to international markets. By managing to a set of criteria and indicators derived from internationally accepted sustainable forest management frameworks, Riverside can demonstrate that it is managing the TFL in a manner which is consistent with internationally accepted environmental standards and the principles of sustainable forest management.

B. Maximizing benefits from the forest asset

By managing for and improving the sustainability of the forest resource, the EFSP will provide government with a more stable stream of stumpage and taxation revenue from Riverside and the workers who directly or indirectly earn a living from the timber generated from the TFL.

Through its total forest resource management approach, Riverside will also work with stakeholders and government in deriving other social benefits from the TFL, such as recreation.

C. Providing support for resourcing changes arising from the Core Review

Through the ecological forest resource management model, Riverside will take on more responsibility and accountability for resource management decisions on the TFL. This will enable government to re-allocate resources while retaining sufficient strategic control over the management of the TFL and holding Riverside accountable, through audits and monitoring, for achieving results.

The EFSP provides the opportunity to manage the TFL in a fundamentally different manner than conventional forest management. Through the ESFP, Riverside will manage all key ecological, environmental and social resources based on scientifically-based principled management. Since 1998, Riverside has been completing the inventory, analysis, modelling and testing necessary to implement the ecological model. Riverside is also developing a system of criteria, indicators and measurables that will provide a framework for gauging its success in managing this array of resources.

The ecological forest resource management model provides the underlying conceptual basis for the ESFP. Ecological forest resource management is based on identifying the primary causes of the natural disturbances that have allowed the various ecosystems to remain productive and be sustained. Riverside will design harvesting systems based on our understanding of natural disturbance processes, patterns and structures. This will provide a diversity of habitats, which leads to the maintenance of biological diversity within the landscape.

To enable Riverside to implement the ecologically-based model efficiently and effectively, the company requires a results-based regulatory framework. Part 10.1 of the *Forest Practices Code of British Columbia Act* (Code Act) provides the best conduit available to obtain approval for the new framework. Riverside has developed a draft regulation that meets the requirements of Part 10.1.

When combined, all components of the EFSP will enable Riverside to move towards results-based sustainable forest resource management on TFL 49. The TFL 49 Pilot Project Regulation (Pilot Regulation) will make it possible for Riverside to field test the proposed strategic, operational, administrative and regulatory changes to the Code Act that will support sustainable management of all forest resources (as broadly defined by the Code Act), and administrative practices, while encouraging creativity and innovation.

I. INTRODUCTION

Balancing sustainable development of the province's forest resources while protecting environmental values is a key objective of the new British Columbia government. It is also of major importance to the forest industry, the general public and, to an ever-increasing extent, the buyers of British Columbia's forest products.

Riverside Forest Products Limited (Riverside); the Ministry of Forests (MoF); the Ministry of Water, Land and Air Protection (MWLAP); and, the Ministry of Sustainable Resource Management (MSRM), are committed to trusted and sound forest stewardship practices. While these practices have continued to improve over time and have changed the complexion of forest stewardship in British Columbia, Riverside believes that cost-effective new approaches must be found to support sustainable management of all forest resources as broadly defined by the *Forest Practices Code of British Columbia Act* (Code Act), and administrative practices, while encouraging creativity and innovation.

These new approaches include the introduction of ecological management models, a shift from the existing process oriented to a results-based regulatory framework, and a transfer of resource management accountability to the management and professionals in forest companies. As well, Riverside and governments face additional challenges in managing forest resources:

- A. Public interest in forest resources will continue to grow;
- B. Operating costs will continue to increase; and,
- C. The current mandate and business model of the government contains constraints to industry competitiveness, productivity and revitalization.

To meet these challenges, in the fall of 1998 Riverside made the decision to initiate the Ecological Forest Stewardship Project (EFSP).

The objectives of the EFSP are to:

- A. Create and implement a cost efficient ecologically-based forest resource management system that pursues environmental sustainability, community stability and economic security;
- B. Identify the changes to the Code Act that are needed to implement and field test the ecologically-based forest resource management system;

- C. Pursue a workable results-based regulatory framework that shifts administrative effort from managing processes to managing for results;
- D. Wherever possible, decrease administrative and regulatory costs to the forest industry and resource ministries; and,
- E. Transfer forest resource management accountability from resource ministries to the management and professionals in forest companies.

To assist in the delivery of the EFSP, in January 2000 Riverside, the MoF and BC Environment signed a Memorandum of Understanding (MOU). In November 2001 the MOU was revised to include the new MSRM and MWLAP.

The purpose of the MOU is to establish the principles that the partnership will use for the delivery of the EFSP, the working relationship to be adopted for the term of the Project and the circumstances to be followed if any of the partners wish to discontinue their involvement with the EFSP.

II. PURPOSE OF THE PROJECT SUMMARY

The purpose of this document is to obtain the support of the Joint Steering Committee (JSC) for the EFSP including the regulatory changes that will enable Riverside to implement its total forest resource management approach in TFL 49.

This document provides an explanation of the key aspects of the EFSP and the role the TFL 49 Pilot Project Regulation (Pilot Regulation) plays in enabling Riverside to implement the EFSP at the operational level on TFL 49.

III. LOCATION OF THE EFSP

Riverside will carry out the EFSP in the area comprising Tree Farm Licence (TFL) 49. TFL 49 is held by Riverside and is located in the central Okanagan in the southern interior of British Columbia. The TFL covers 145,000 hectares and has an Allowable Annual Cut (AAC) of 380,000 cubic metres, including the Small Business Forest Enterprise Program (SBFEP) AAC.

Under the Pilot Regulation, the EFSP will be applied on the "TFL 49 Area" which excludes the SBFEP operations. This decision, to exclude the SBFEP from the

EFSP, was mutually agreed to between Riverside and the MoF. A MOU on how the SBFEP operating areas are to be defined (the "SBFEP blocks") will be developed between Riverside and the MoF. As part of this agreement the MoF is committed to incorporating what elements they can from the EFSP into the SBFEP Forest Development Planning process. Additionally, the MoF is committed to minimizing to the extent practicable any off-site effects of SBFEP operations on the "TFL 49 Area" to which the EFSP applies. Riverside recognises the desire by the SBFEP to maintain the independence of their planning process and the need not to jeopardise the provincial SBFEP certification efforts.

TFL 49 is comprised of a range of forest types, from dry Ponderosa Pine forests at the lower elevations, transitioning through Douglas-fir and Lodgepole Pine forests to Engelman Spruce/Subalpine Fir forests at higher elevations. Terrain on the TFL ranges from relatively flat or rolling to very steep. The forests on TFL 49 are typically categorised as fire dependant, as the primary natural mechanism for disturbance leading to the replacement and renewal of the forests is wildfire. The natural disturbances that would occur on the TFL can be classified by the frequency, occurrence, size and intensity of the wildfires.

In addition to the natural disturbance classification system, the forest types within TFL 49 have been classified using the biogeoclimatic classification system developed for British Columbia.

IV. MAJOR COMPONENTS OF THE EFSP

The EFSP has five main components: the ecological forest resource management model, the Stewardship Plan (currently being developed), adaptive management, forest practices strategies, compliance and enforcement, and the Pilot Regulation.

Following is an overview of each of these components.

A. The Ecological Forest Resource Management Model.

The first component of the EFSP is the ecological forest resource management model. This approach to forest resource management provides the underlying conceptual basis for the EFSP.

Ecological forest resource management is based on identifying the primary causes of the natural disturbances that have allowed the various ecosystems to remain productive and be sustained. The frequency of occurrence, distribution

and severity of the natural disturbances results in a rate of renewal of the ecosystems and provides a heterogeneous pattern of forest cover across the landscape. Additionally, these disturbances also influence the amount, type and distribution of structure (snags, island remnants, etc.) left within the new forests. The ecosystems within TFL 49 are typically categorised as fire dependant. This means that the primary natural disturbance that has operated within these ecosystems has been wildfires.

Natural disturbances and the associated ecological processes, patterns and structures can occur at or across the forest, landscape and stand levels. Thus, ecosystem function can be characterized as the multi-scalar interaction of the various ecological processes, patterns and structures.

Biological diversity is present as a result of the multi-scalar interactions required for ecosystem function. It is important to note that biological diversity (or biodiversity) is not a thing, but a cluster of concepts. Included are concepts like natural selection, competition and genetic variation. Therefore, maintaining the variability of living organisms and the complexes of which they are a part conserves biological diversity.

The ecological forest resource management model for TFL 49 is being developed and implemented as part of the EFSP. It utilizes a “coarse filter” approach to addressing ecosystem function. This approach is based on the assumption that managing for the representation of the diversity which results from natural disturbances throughout the landscape ensures a diversity of habitats, which leads to the maintenance of biological diversity within the landscape.

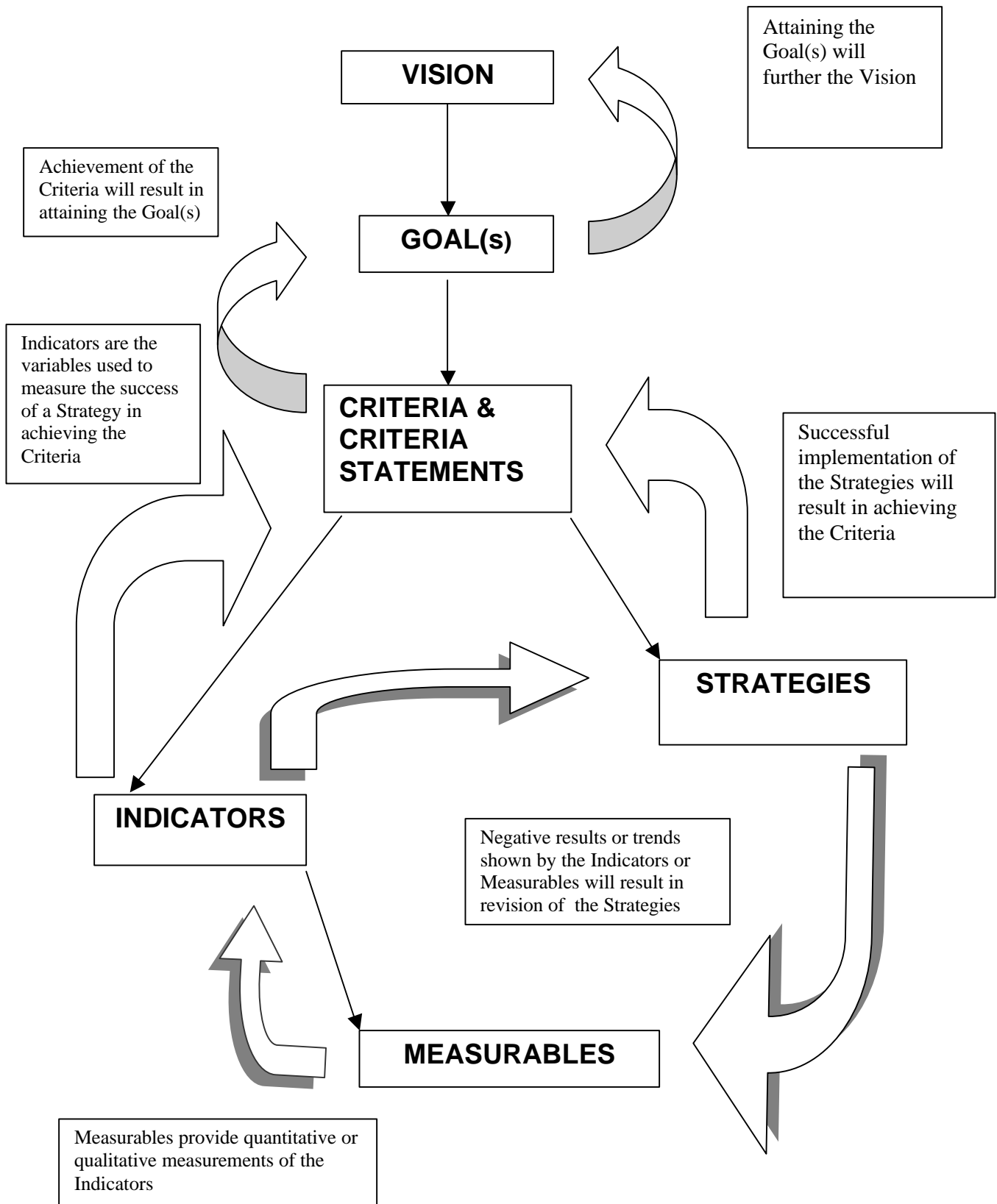
By implementing the ecological forest resource management model, Riverside proposes to move forest resource management on the TFL from the current process-based system to a results-based system. Under this system the results of forest resource management activities will be assessed to determine results relating to the ecological function of the ecosystems within TFL 49. In this way, Riverside can redirect the resources currently dedicated to verifying process to managing and understanding the ecological implications of forest resource management activities.

As part of the EFSP Riverside is also piloting alternative ways of managing silviculture, riparian areas and aquatic habitat (fisheries) which reflect the understanding of natural disturbance processes, patterns and structures on which the ecological forest resource management model is based. These alternative management regimes also propose to move the management focus from the current process-based system to a results-based system.

B. Criteria and Indicators Framework

Riverside has developed a framework of criteria and indicators and related targets for environmental, social and economic values. This framework is based conceptually on the Canadian Council of Forest Ministers (CCFM) criteria and indicators and has been tailored to reflect the objectives of the Okanagan Shuswap Land and Resource Management Plan (LRMP).

Key elements of the criteria and indicators framework are illustrated on the following diagram.



The criteria listed below were adapted from the CCFM criteria and will be used in the EFSP to describe the future state or conditions that will exist on the TFL. Riverside has developed these criteria as examples of how social, economic and environmental values can be addressed on the TFL. Prior to approval of these criteria in the Stewardship Plan, further discussions and development will be required with government agencies and other stakeholders.

Criterion 1

Biological richness and its associated values are sustained within TFL 49.

Criterion 2

Forests within TFL 49 are productive and demonstrably able to recover from ongoing disturbances.

Criterion 3

The quality and quantity of soil, water, and land resources on TFL 49 are sustained.

Criterion 4

For forest ecosystems occurring within TFL 49, contributions to global ecological cycles are sustained.

Criterion 5

The area within TFL 49 provides multiple goods and services on a sustainable and equitable basis.

Criterion 6

Decisions guiding forest management on TFL 49 are balanced, equitable and effective.

The following table demonstrates the groupings of the criteria under the headings of social, economic and environmental values.

Social Values	Economic Values	Environmental Values
Criterion 4	Criterion 5	Criterion 1
Criterion 6		Criterion 2
		Criterion 3

For each criterion, a series of criteria statements is being developed. These statements provide a description of the critical components of each criterion as they relate to the forest resources found within the TFL and provide the context to address the LRMP objectives and the social and economic objectives of the Crown. The criteria statements also integrate the critical components of each criterion with the indicators and measurables. While substantial work has been completed by Riverside with the assistance of agency staff, these linkages are not yet complete. Further work will be required prior to approval of the criteria statements. The criteria statements will be approved as part of the Stewardship Plan.

The indicators and the measurables for the Stewardship Plan will be used to assess the results of implementing the operational direction contained in the management strategies. The strategies provide the linkage between the strategic management direction provided by the criteria statements and the shorter-term operational direction required to carry out forest practices on an annual basis. The direction contained in the strategies will define the nature and extent of the indicators and measurables to be used. The results of the assessments will be used to report on the progress towards the achievement of the criteria.

For the indicators to be effective in assessing the outcomes of the management strategies they must meet the following set of criteria or attributes:

- A. They must be relevant to the applicable criteria;
- B. They must be capable of objective measurement;
- C. They must be cost effective; and,
- D. They must be consistent with generally acceptable principles of sustainable forest resource management.

Measurables are the quantitative or qualitative measurements taken of the indicators. Where possible, for each indicator a target range of values will be determined, based on the characterization work completed for the TFL and the best research information available. This range of values will provide the parameters for the applicable measurables.

C. The Stewardship Plan

As part of the EFSP, approval of the Pilot Regulation provides Riverside the authority to prepare and submit for approval a Stewardship Plan. The Pilot Regulation requires that a Stewardship Plan be prepared for the TFL 49 Area. Prior to submitting the Stewardship Plan for approval it must be made available to the public for review and comment for a period of 60-days. Upon approval of the Stewardship Plan the exemptions from the Code Act and *Forest Act* listed in sections 5 and 6 respectively of the Pilot Regulation come into force.

The Stewardship Plan is the document that contains the strategic and operational management direction for the forest resources on TFL 49. It describes the conditions that will result from the implementation of the management direction through the strategies and is the document that Riverside will present to the public for review and comment on forest practices to be carried out on the TFL. The Stewardship Plan describes how Riverside will integrate and balance the social, economic and environmental values identified for TFL 49. It will specify the criteria (i.e. outcomes or results) and criteria statements for forest practices as measured by the indicators and measurables.

The approved Stewardship Plan will act as the timber harvesting and road construction authority for TFL 49 and replaces the requirement for an operational plan or silviculture prescription under many sections of the Code Act, the Operational Planning Regulation, the Silviculture Practices Regulation, the Forest Road Regulation and the Timber Harvesting Practices Regulation. It also replaces the TFL Management Plan and the FDP. This “one-plan approval” framework is designed to reduce the administrative process associated with preparing, reviewing, approving and amending these plans for the TFL.

The Stewardship Plan will be signed and dated by an authorized representative of Riverside and signed and sealed by a registered professional forester.

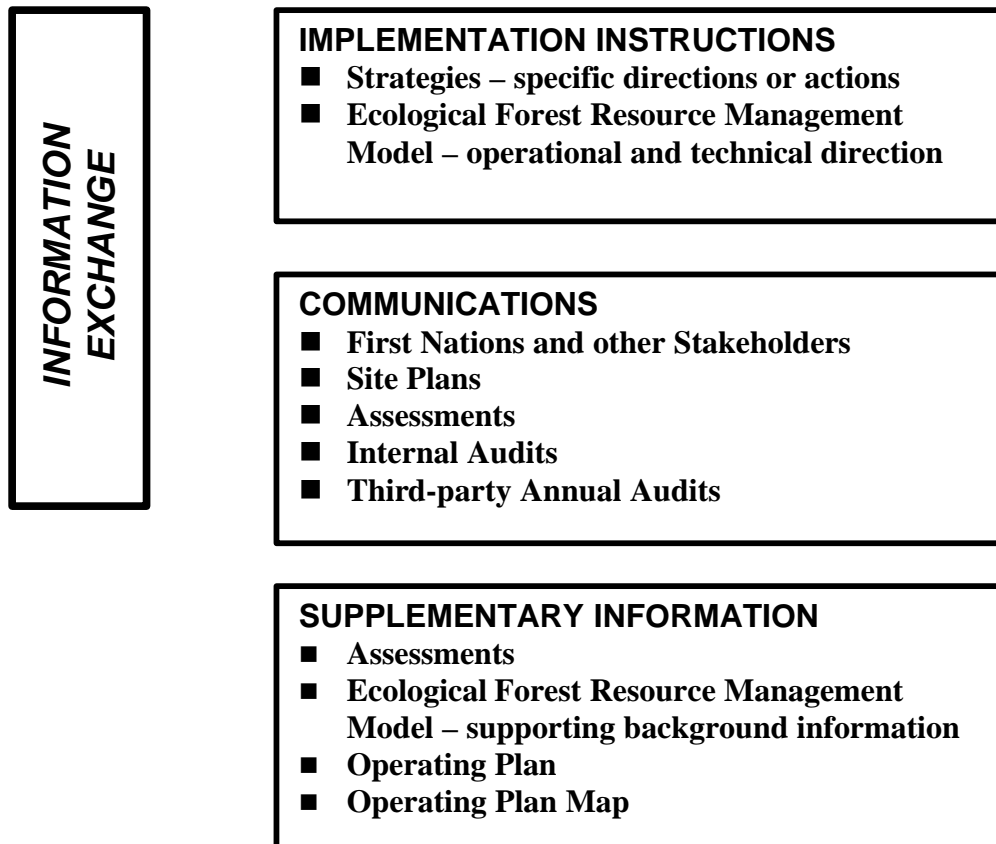
The Stewardship Plan will not contain:

- A. The information necessary to determine the Allowable Annual Cut (AAC) on TFL 49. This information will be presented under a modified version of a management plan prepared under the Forest Act and presented by Riverside to the Provincial Chief Forester; and,
- B. Detailed operational information and the strategies or “how to” instructions for achieving the criteria of the Stewardship Plan. These will be determined by Riverside within the confines of the Pilot Regulation, the continuing

provisions of the Code Act, and the requirements of other legislation (e.g. *Fisheries Act, Water Act, Waste Management Act, Heritage Conservation Act*, etc.).

Key aspects of the Stewardship Plan and the relative responsibilities of Riverside and resource ministries are illustrated in the following schematic representation of the Stewardship Plan approval model.

Stewardship Plan Approval Model



C. Site Level Plans

Site Level Plans are a mandatory requirement for all forest practices contemplated under an approved Stewardship Plan. Riverside will continue to prepare these plans and retain copies at their offices, although they are not submitted for government review and approval. Site Level Plans describe the strategies and specific operational direction to be implemented on a small-scale strategy unit. They must include a description of the forest practice, a reference map, and must be signed by a qualified registered professional.

D. Adaptive Management

A key feature of the framework for the EFSP is the ability to alter or adapt the management strategies to respond to positive and negative results, trends or new information. This “adaptive management cycle” enables the EFSP to move towards results-based forest resource management.

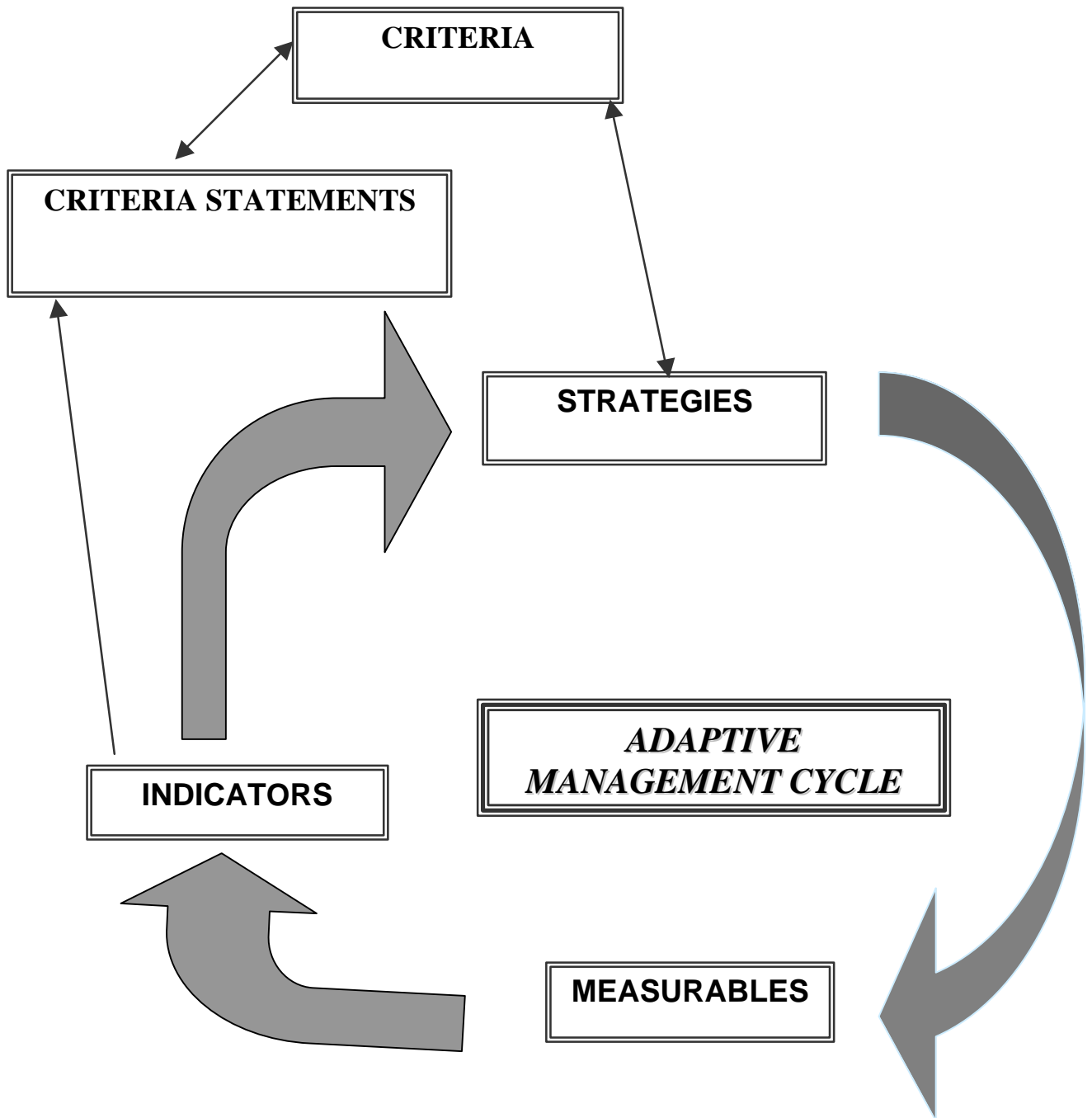
Adaptive management, defined as “a systematic system for learning”, is a critical component of the EFSP. By combining adaptive management with the criteria and criteria statements in the hierarchy framework, a mechanism is created for monitoring and evaluating the results of the EFSP. The adaptive management cycle is incorporated within the ecological forest resource management model at the strategy, measurables and indicators level (see adaptive management diagram – page 19).

Carrying out the EFSP through adaptive management enables the modification of strategies, measurables and, if required, indicators to reflect new knowledge about the ecological condition of the forest. The strategies, measurables and indicators are designed to guide the results of management towards the desired future state of the forest.

The description of the desired future state is guided by our understanding of natural ecological processes. If, during the implementation of the strategies, the measurables or indicators indicate that there is a deviation from the path towards attainment of the desired future state, then this deviation can be assessed and the corrective actions, if any, can be determined. Additionally, as new information about either the current condition or the desired future state of the forest is uncovered by the ongoing research, the strategies, measurables and indicators can be adapted to incorporate this new information.

Using this framework, the strategies, measurables and in certain circumstances the indicators can be revised without requiring that the criteria be changed. This provides for significant flexibility to assess alternative management paths or to quickly adjust management direction in response to negative feedback.

Adaptive Management Cycle Diagram



E. Practices to Support Strategies

Many of the forest practice requirements of the Code Act and Regulations will continue to apply to Riverside's operations on TFL 49. In some cases, Riverside's professionals may find that it will be necessary to apply practices that are different from the current Code. Such practices may reflect the most appropriate means of achieving strategies relating to the indicators and measurables for key habitat elements and other values.

Riverside is required under the Pilot Regulation to protect the environment in a manner that closely parallels Section 45 of the present Code Act, except that Site Level Plans will not be approved like operational plans under the Code Act. Riverside is also required to carry out silvicultural practices similar to Section 70 of the Code Act. This section reflects the company's commitment to meet the approved reforestation and timber targets.

F. Compliance and Enforcement

Riverside recognizes the importance of an effective compliance and enforcement regime. Key elements of the compliance and enforcement program for the EFSP are described below.

1. Suspension of Operations

Section 123 of the Code Act will remain in force. This section permits the MoF and MWLAP to issue stop work orders where there is a contravention of the Code Act or any of its regulations. In addition to this broad power, forest practices pursuant to a Site Level Plan or an approved Stewardship Plan may be suspended under the Pilot Regulations if the MoF reasonably determines that the forest practices will prevent or materially interfere with Riverside's achievement of the criteria in an approved Stewardship Plan or infringe aboriginal rights except as permitted by law.

The key elements of the compliance and enforcement provisions of the Regulation are as follows:

- a) Financial penalties may be levied under section 117 of the Code Act for contraventions of Pilot Regulation sections 22 (notice of operations), 23 (required assessments), 25 (protection of the environment) and 26 (silviculture).

- b) Contravention of any provision of the Pilot Regulation can result in a stop work order under section 123 of the Code Act or a remediation order under section 118 of the Code Act.
- c) A violation of sections 25 or 26 of the Pilot Regulation (protection of the environment and silviculture) may also be prosecuted as an offence with a larger maximum penalty or imprisonment.
- d) The principles of adaptive management and the interest of promoting Pilot Projects may (but need not) be considered when a penalty is levied under the Code Act.
- e) Due diligence will be a defence to a determination of a contravention of the Code Act or a regulation if Riverside establishes that it exercised due diligence to prevent the commission of the contravention or offence or acted upon an officially induced error or honest and reasonably held belief in a mistaken fact or if the contravention resulted from a material natural disturbance or event not caused by an act or omission of Riverside.
- f) Despite the due diligence defence, the MoF may still issue remediation orders to Riverside but if it is later shown that there was no contravention (because of due diligence or otherwise) then Riverside can apply for reimbursement in an amount determined by the Minister.

2. Monitoring, Auditing and Evaluation Framework

Under the EFSP, Riverside will establish a three-tiered quality assurance framework that will provide assurance to Riverside, the public and government that the vision, goals and criteria of the Stewardship Plan are being achieved, the LRMP objectives are being met and protection equivalent to the current Code Act is being provided.

Part 10.1 of the Code Act requires that the Pilot Regulation provide for monitoring and evaluation of the EFSP. The Pilot Regulation provides the following opportunities for monitoring and evaluation:

- a) Section 29 requires an annual performance audit by an independent forest practice auditor approved by government who will assess Riverside's progress in achieving the vision, goals and criteria of the approved Stewardship Plan and compliance with the Code Act and applicable regulations, including the Pilot Regulation.

- b) Riverside must submit an annual report containing a summary of forest practices conducted in the previous year, the most recent audit report, an action plan to address the findings of the audit report and progress in achieving the Stewardship Plan criteria and criteria statements (Section 30 of the Pilot Regulation).
- c) At least every five years after approval of a Stewardship Plan, Riverside and government must review the plan to determine whether the criteria, criteria statements, indicators or measurables should be amended, eliminated or supplemented as a result of numerous changes or events listed in section 21 of the Pilot Regulation.
- d) Riverside is required by section 14 of the Pilot Regulation to continually self-monitor its performance, cease operations and, if required, seek an amendment to the Stewardship Plan if it knows or reasonably ought to know that a forest practice is unlikely to ensure that the criteria and criteria statements of the Stewardship Plan will be achieved over time.
- e) The role of the Forest Practices Board, including the authority to audit performance, is maintained (section 29(5)).
- f) Both government and Riverside have the right to notify each other that the EFSP will terminate (section 36).

G. The Enabling Regulation:

The enabling Pilot Regulation for the EFSP was developed under the provisions of Part 10.1 of the Code Act. This part of the Code Act, titled "Pilot Projects to Improve the Regulatory Framework for Forest Practices", is designed to allow proposed regulations to be brought forward to the government by Pilot Project proponents.

For the purposes of Part 10.1 of the Code Act, the EFSP is considered a "Pilot Project " with Riverside as the Project proponent. Pursuant to Part 10.1, the proposed Regulation developed under the EFSP must specify that provisions of the Code Act, the Forest Act, the Range Act and any regulations associated with these Acts which will no longer apply to TFL 49.

Riverside anticipates that the Code Act exemptions will cover those sections that conflict with the streamlining of administrative processes, and the strategic and operational activities being carried out under the EFSP, including the implementation of the ecological forest resource management model. Thus, the

Pilot Regulation is critical in enabling Riverside to implement and test the alternative management strategies developed under the ecological forest resource management model.

When combined, all components of the EFSP will enable Riverside to move towards results-based sustainable forest resource management on TFL 49.

The Pilot Regulation will make it possible for Riverside to field test the proposed strategic, operational, administrative and regulatory changes to the Code Act that will support sustainable management of all forest resources as broadly defined by the Code Act, and administrative practices, while encouraging creativity and innovation.

The Regulation uses several defined terms and incorporates by reference the terms that are already defined in the *Forest Act*, Code Act and the Operational Planning Regulation. For example, the term “forest resources” is not specifically defined in the Pilot Regulation, but will mean forest resources as broadly defined under the Code Act to include timber, water, wildlife, fisheries and recreation resources and values.

Other key definitions of note are as follows:

1. The “regional manager” means the person employed as the regional manager of the Kamloops Forest Region of the Ministry of Forests;
2. The “TFL 49 Area” excludes the SBFEP blocks within the TFL, meaning that those areas will not be subject to the Stewardship Plan under the Regulation.

Riverside have added interpretation provisions to the Pilot Regulation which list specific sections of the Code Act which cease to apply to Riverside’s operations on the TFL. Also a set of “deeming” provisions has been added which will bring certain practices and procedures back into the Code Act. These deeming provisions act to provide an equivalent system of management. These interpretation and deeming provisions act to knit together forest resource management under the Pilot Regulation, the requirements that will remain under the Code Act after the Regulation is in place, and to identify the parts of the Code Act that will no longer apply under the Regulation. For example, once the Pilot Regulation is in force, the requirement for a FDP will cease to apply on the TFL. Under the deeming provisions, Riverside’s Stewardship Plan will be deemed to be an operational plan for the purposes of certain sections of the Operational Planning Regulation (OPR). This means

that the notice, review and comment provisions of the OPR will apply equally to the Stewardship Plan.

V. MEETING THE TESTS OF 10.1 OF CODE ACT AND OTHER LEGAL REQUIREMENTS

Following is a description of the manner in which the EFSP provides at least equivalent protection for forest resources and resource features as that provided by the Code Act and Regulations (i.e. the 'equivalency test' under Part 10.1 of the Code Act).

A. Okanagan Shuswap LRMP

The objectives of the Okanagan Shuswap LRMP that apply to forest resources in the TFL will "feed" the goals, criteria and criteria statements for Riverside's Stewardship Plan. The approved Stewardship Plan must be consistent with the LRMP objectives as described on the Schedule attached to the Pilot Regulation. This means it must be consistent with the most likely higher level plan for the area, a Plan that is based upon broad community and key stakeholder acceptance;

B. Code Act Preamble

Riverside's vision, and goals for its Stewardship Plan will be consistent with the preamble of the Code Act, which defines sustainable use of forest resources.

C. High Quality Indicators and Measurables

The indicators and measurables for the Stewardship Plan must meet a stringent quality control test based on relevance to each criteria and criteria statement of the Plan, applicability, measurability, cost effectiveness and scientific acceptance. This is likely similar to the test that was applied to the development of "yardsticks" for performance under the current Code Act, but has been customized for ecologically-based forest resource management on TFL 49;

D. Public Consultation/Advance Notice

Consultation on the proposed Stewardship Plan will be performed in the same way as is done for an FDP. Once the Stewardship Plan is approved Riverside will be obliged to consult with the public and affected First Nations and tenure holders on an annual basis throughout the life of the Plan. Government will be provided with advance notice of harvesting in specific areas and the notification rules concerning minor salvage operations will mirror the Code Act requirements;

E. Suspension/Stop Work Powers

Nothing in the Pilot Regulation affects the authority of government to issue stop work orders for any contravention of the continuing provisions of the Code Act or regulations, but this power is supplemented with an additional suspension power that applies in circumstances where there may be no contravention of the Code Act, namely undue infringement of an aboriginal right or practices that will prevent or materially interfere with achievement of the criteria and criteria statements (i.e. outcomes) of the approved Stewardship Plan. These are “Code Act plus” suspension powers.

F. Periodic Review

Although the Stewardship Plan has a ten-year term, at least once every five years there will be a mandatory review where the government and Riverside must review the Plan in light of specified new information and intervening events to determine whether amendments are necessary or desirable. While not the same as periodic re-submission of FDP’s under the Code Act, this periodic “reality check” coupled with the authority of government to suspend operations or cancel the EFSP, and the company’s self-monitoring requirement in section 14 of the Pilot Regulation, will have the equivalent effect as the current procedures under the Code Act.

G. Mandatory Amendments

Under section 15 of the Pilot Regulation, Riverside must cease operations and, if necessary request an amendment to its approved Stewardship Plan if it knows or reasonably ought to know that a forest practice is unlikely to ensure that the criteria of the Stewardship Plan will be achieved over time. This is similar to the mandatory amendment provisions of the Code Act that only apply to silviculture prescriptions and stand management prescriptions (Code Act section 35) but will now apply to all forest practices on the TFL. This will provide “Code Act plus” protection.

H. Adequately Manage and Conserve

Riverside's proposed Stewardship Plan will not be approved unless the regional manager determines that, when taken as a whole, it will adequately manage and conserve forest resources on the TFL 49 area – the same test as applies to an operational plan under the Code Act.

I. Professional Accountability

Riverside's Stewardship Plan and all Site Level Plans and every amendment to these plans must be signed by a qualified registered professional and kept on file for government or public review.

J. Specific Practices

The Pilot Regulation contains a "protection of the environment" term equivalent to section 45 of the Code Act and a silviculture term to replace section 70 of the Code Act, enforced with fines and administrative penalties.

The "protection of the environment" term is different from section 45 of the Code Act because it permits practices that are described in a site level plan instead of an approved operational plan or permit issued under the Code Act. To address this difference the Pilot Regulation requires that Riverside develop strategies to achieve the criteria in the approved Stewardship Plan and that forest practices be in furtherance of and consistent with these strategies. Those strategies will be described in the site level plan.

With regard to Silviculture, current Basic Silviculture goals under the Code Act are based on well-spaced free growing trees. While the goal is to achieve target numbers of stems, the legal requirements are to achieve at least minimum standards. These current goals are not directly related to volume and log goals at rotation and are of little use in yield analyses. Survey reports of free growing stands do not provide information particularly useful from an ecological perspective.

The results-based silviculture model for the EFSP will measure the volume and log quality attained at rotation. It will provide information on the distributions of species and densities over the land base. The emphasis will shift to measuring results based on achieving outcomes over the land base rather than on every hectare. The targets associated with the indicators in the approved Stewardship Plan will be high enough to ensure that all areas are adequately managed both for forest products and ecological values, and the

Pilot Regulation will require that forest practices be conducted to meet these goals for growth rates and timber values.

K. Code Act Practices

Most of the key environmental regulations will be kept and remain enforced. A list of these key practice requirements will be prepared by Riverside.

L. Expanded Monitoring and Evaluation

Monitoring and evaluation of the EFSP is expanded from the Code Act requirements by adding a mandatory annual audit and an annual report from Riverside regarding progress toward achieving the approved Stewardship Plan criteria. The role of the Forest Practices Board is maintained.

M. Outcomes Approved and Enforced

The EFSP requires that government must approve the criteria and criteria statements (outcomes) proposed by Riverside for the TFL, that these outcomes must meet an expanded approval test and that Riverside develop and employ strategies intended to achieve these outcomes when it conducts forest practices on the TFL. Failure or non-compliance by Riverside is enforced through stop work and remedial order powers, new suspension powers, old and new administrative penalties and, if necessary, termination of the EFSP.

N. Compliance and Enforcement

Riverside recognizes the importance of an effective compliance and enforcement regime. The compliance and enforcement regime contained in the Pilot Regulation and applicable to the EFSP is a combination of existing Code Act and new compliance and enforcement elements. The new elements of this regime focus on failure or non-compliance by Riverside with results described in an approved Stewardship Plan.

The ability of the MoF or MWLAP to issue stop work orders is maintained for the remaining Code Act requirements (Section 123 Code Act) and enhanced to include contravention of any provision of the Pilot Regulation. The ability to issue remediation orders (Section 118 Code Act) is also maintained and enhanced to include any provisions of the Pilot Regulation.

Financial penalties (Section 117 Code Act) may also be levied for non-compliance with the sections of the Pilot Regulation requiring notice of

operations, assessments, protection of the environment and silvicultural obligations.

Under the Pilot Regulation due diligence is a defence to a determination of a contravention under the Code Act or a regulation. Riverside must establish that it exercised due diligence to prevent the commission of the contravention or offence. This is consistent with the results-based focus of the EFSP. Despite any due diligence defence, Riverside may still be ordered to take remedial action, but if due diligence by Riverside is subsequently proved (i.e. there is no contravention) then there is provision for Riverside to recover from the Crown an amount determined by the Minister to be the reasonable cost of compliance with the remedial order.

VI. TRANSITION TO THE RESULTS-BASED EFSP APPROACH IN THE TFL

The transition rules still remain to be developed to deal with current cutting authorities and silviculture requirements once a Stewardship Plan is approved. This transition mechanism will be similar to the approach taken in other Pilot Projects.

VII. MANAGEMENT OF THE EFSP

The EFSP will be managed as follows:

- A. Riverside executive will assume full accountability for ensuring that the EFSP meets the requirements of Part 10.1 of the Code Act and commitments made as part of the planning framework under the Project. They will directly supervise the operation of the EFSP;
- B. A Project Management Team (PMT) oversees the EFSP. The PMT consists of the Regional Manager, Kamloops Forest Region, MoF; the Regional Director, Southern Interior Region, MSRM, the Regional Director, Southern Interior Region, MWLAP and two members of the management of Riverside. The PMT is assisted by an Advisory Panel who act in an advisory not a decision making capacity and work with the PMT. The PMT is responsible and accountable for:

1. Collating existing forest and non forest resource information relevant to TFL 49, including applicable information and results transportable from other Pilot Projects;
2. Providing public access to the following except where the government considers that such public access would jeopardize cultural heritage resources;
 - Planning documents and assessments used in the EFSP;
 - Records that the regulation require be prepared for the EFSP;
3. Reviewing the Pilot Regulation required to be prepared for the EFSP;
4. Providing for public review and comment respecting the forest practices to be carried out under the EFSP;
5. Providing for monitoring, and for evaluation criteria for the EFSP;
6. Reviewing all recommendations from the Advisory Panel for implementation; and
7. Managing, monitoring and making provision for auditing the EFSP throughout its term.

C. The Advisory Panel will provide advice and assistance associated with:

1. The implementation of the Stewardship Plan; and
2. The effective integration of public comment regarding forest practices of Riverside on the TFL.

The Advisory Panel will also assist the PMT in the development and monitoring of management under results-based Code Act. It will have access to all non-confidential plans; assessments, reports and inventories maintained by government or Riverside and will provide an annual report of its findings to Riverside and government.

The Advisory Panel consists of six members of resource ministries, the mayors of two communities in the Okanagan, a director of the Canadian EarthCare Society, a fishing lodge owner, a representative from the Okanagan Indian Band and a number of specialists from academia and consulting in fields relating to ecological management.

Representatives from various groups and individuals sit as observers during Advisory Panel meetings. The West Bank Indian Band has chosen to appoint a representative of their Council to sit as an observer.

The PMT and Advisory Panel members have worked with Riverside in providing advice and preparing this presentation since March 2000. Members have seen a number of working drafts and have provided guidance to Riverside on its evolution.

VIII. PROJECTED RETURN ON INVESTMENT TO THE PROVINCE

Riverside management believes that the EFSP supports the strategic shifts in forest policy announced by Cabinet in October 2001, the direction of the Core Review in resource ministries and contributes directly to a number of New Era priorities that include:

A. A competitive forest industry with high environmental standards

Riverside's EFSP will introduce a scientifically-based principled approach to forest resource management that will help the BC forest industry secure access to international markets. By managing to a set of criteria and indicators derived from internationally accepted sustainable forest management frameworks, Riverside will demonstrate that it is managing the TFL in a manner which is consistent with internationally accepted environmental standards.

B. Maximizing benefits from the forest asset

By managing for and improving the sustainability of the forest resource, the EFSP will provide government with a more stable stream of stumpage and taxation revenue from Riverside and the workers who directly or indirectly earn a living from the timber generated from the TFL.

Through its total forest resource management approach, Riverside will also work with stakeholders and government in deriving social benefits from the TFL such as recreation.

C. Providing support for resourcing changes arising from the Core Review

Riverside supports the government's effort to carry out significant resourcing and structural changes in resource ministries. Through the EFSP, Riverside will take on more responsibility and accountability for resource management decisions in the TFL. This will enable government to re-allocate resources while retaining sufficient strategic control over the management of the TFL and holding Riverside accountable, through audits and monitoring, for achieving results.

D. Adopting a scientifically based, balanced and principled approach to environmental management that ensures sustainability, accountability and responsibility

The EFSP focuses heavily on using scientific methods to collect, validate and model data on environmental, social and economic values. Some of the leading scientists and academics in various facets of sustainable forest management participate actively in the EFSP through their direct involvement in research projects and through their membership on the Advisory Panel.

E. Investing in research to promote forest stewardship approaches

In previous years, approximately 40 to 50% of the EFSP investment focused on research into obtaining better data on key environmental values and the relationship between various elements in ecosystems. Riverside, in conjunction with leading academics and scientists, carried out extensive work in identifying the nature and relationship in the TFL between the eight key habitat elements for vertebrate species identified by Dr. Fred Bunnell of UBC.

F. Streamlining the Forest Practices Code to establish a workable, results-based Code;

The EFSP provides a platform for the government to launch and test a results-based administrative and regulatory framework for forest resource management. The draft regulation for the EFSP provides a workable results-based approach to forest resource management.

Riverside also believes that the EFSP will generate goodwill among communities and stakeholder groups as it provides an opportunity, through the Advisory Panel and related sub-committees, for stakeholders to have direct involvement in developing and managing this innovative approach to sustainable forest resource management. Local government and environmental non-government organizations (ENGOS) are represented on the Advisory Panel. Local First Nations have agreed to participate, with the Okanagan Indian Band sitting as a member of the Advisory Panel and others acting as observers.