

Chief Forester Order Respecting the AAC Determination for Tree Farm Licence 8

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.

For the purposes of this Order, in accordance with Section 23(3) of the *Interpretation Act*, the deputy chief forester is expressly authorized to carry out the functions of the chief forester (including those required under Section 8 of the *Forest Act*).

In considering whether to postpone the next allowable annual cut (AAC) determination for Tree Farm Licence (TFL) 8, held by Interfor Corporation (Interfor or the “licensee”), I note that the last AAC determination for TFL 8, made on April 1, 2009, set the AAC at 186 000 cubic metres.

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

- *Rationale for the Allowable Annual Cut Determination for Tree Farm Licence 8 held by International Forest Products Ltd.* (April 1, 2009);
- *Timber Supply Analysis Information Package – Tree Farm Licence 8 – Timber Supply Review 3*; prepared for Pope & Talbot Ltd. by Timberline Forest Inventory Consultants Ltd. (December 2006);
- *Timber Supply Analysis - Tree Farm Licence 8 – Timber Supply Review 3*; prepared for Pope & Talbot Ltd. by Timberline Forest Inventory Consultants Ltd. (June 2007);
- Letter from Interfor Corporation to Diane Nicholls, ADM and Chief Forester (September 18, 2018);
- *Tree Farm Licence 8 Timber Supply Analysis Information Package in Preparation of Management Plan #11 Version 1.4*; prepared for Interfor Corporation by Forsite Consultants Ltd. (September 21, 2018);
- *Tree Farm Licence 8 Timber Supply Analysis Report in Preparation of Management Plan #11 Version 1.0*; prepared for Interfor Corporation by Forsite Consultants Ltd. (October 15, 2018);
- *Tree Farm Licence 8 Management Plan #11 Version 1.0*, preliminary draft prepared for Interfor Corporation by Forsite Consultants Ltd. (October 22, 2018);
- *Forest Stewardship Plan #658* Interfor Applicable to operations of Castlegar Woods Division and Grand Forks Woods Division in the Selkirk Natural Resource District Arrow TSA, Boundary TSA & TFL; s 3, 8 and 23 for the term of June 29, 2017 to June 28, 2022 Version 2017-06-29 (June 28, 2017);
- *Provincial Timber Management Goals, Objectives & Targets, Management Unit Targets*, TFL 8 Boundary prepared by Ministry of Forests, Lands, Natural Resource Operations and Rural Development (August 29, 2018);

- *Postponement of Allowable Annual Cut for Tree Farm Licence 8*, Technical and First Nations Consultation Summary; presented at a meeting with Ministry of Forests, Lands, Natural Resource Operations and Rural Development staff in Victoria (December 13, 2018); and,
- First Nation Consultation Report on the TFL 8 *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 8, several changes have occurred to the land base and forest management practices including:

- the establishment of several Government Action Regulation (GAR) orders to assist with the recovery of wildlife for badger, grizzly bear, and Williamson’s sapsucker;
- changes in forestry activities to address the management for Williamson’s Sapsucker as described in *Best Management Practices for Timber Harvesting, Roads, and Silviculture for Williamson’s Sapsucker in British Columbia: Okanagan-Boundary Area of Occupancy* (2014);
- a new Forest Stewardship Plan (approved in 2017); and,
- the establishment of new hydro-line right-of-way (27.3 hectares).

The licensee completed a timber supply analysis in 2018 incorporating the aforementioned changes which has undergone a review by Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD or “the Ministry”). The 2018 analysis demonstrated a timber supply in which the current AAC of 186 000 cubic metres could be maintained for two decades, followed by a 2.9% mid-term decline for five decades, before stepping up to a long level of 207 000 cubic metres. This harvest flow was similar to the base case harvest flow that informed the previous determination.

Ministry staff reviewed the current and previous timber supply analyses and identified that while there were some differences in modelling assumptions and methods, these differences are unlikely to significantly influence either the projected timber supply forecast for TFL 8 or the AAC determination considerations. The observed differences included: riparian management zone reductions consistent with current operational practices, modelling assumptions around non-satisfactorily restocked areas, a small underestimation in timber supply to account for log grade changes, differences in the way dense pine was modelled, and differences in the way old seral requirements for landscape-level biodiversity were modelled.

Although no formal public review was conducted regarding the *Forest Act* Section 8 (3.1) postponement, there was public review associated with the Section 8 (AAC determination) and Section 2 (forest management plan) which I considered as a reasonable estimation for public concerns and input.

I am aware that the harvest performance in TFL 8 over the past five-year period has shown a greater emphasis on the harvesting of Douglas-fir (less lodgepole pine), relatively more harvesting on steep slopes, and increased harvesting of both lower-volume stands (i.e., <150 cubic metres per hectare) and higher-volume stands (i.e., 451 to 550 cubic metres per hectare). Although the Ministry’s summary of the recent harvest performance by the licensee

identified some variation from the harvest profile, I am not concerned that the licensee's recent harvest performance would significantly impact the timber supply or have a measurable effect on the environmental sustainability of a harvest level at the current AAC. However, this does not preclude the licensee from taking reasonable care with respect to harvesting practices and management planning related to forest health issues within the TFL. I therefore expect the licensee to work with the Ministry staff to address any past or future issues.

First Nations Consultation

I am aware of the Province's legal obligation to consult First Nations on proposed forest management decisions and I recognize the importance of First Nations in decision-making with respect to matters that could affect their Aboriginal Interests. First Nations with asserted traditional territory overlapping TFL 8 include: Splots'in Band, Okanagan Nation Alliance, Lower Similkameen Indian Band, Okanagan Indian Band, Penticton Indian Band, Upper Nicola Indian Band, Westbank First Nation, and Osoyoos Indian Band.

The licensee had initiated the review process for a new AAC determination and had completed a draft data package and analysis based on the best currently available information. During the engagement process, First Nations expressed the desire to gather additional information in 2019 that could potentially impact the licensee's forest management plan and operations. Consequently, the licensee made a request to the chief forester to extend the final management plan submission date beyond 10 years from the last AAC determination.

For the Section 8 (3.1) postponement decision, the Ministry sent a referral letter on October 26, 2018, with a 30-day response deadline to all First Nations. The only response received was from the Osoyoos Indian Band, requesting an additional two-week extension for a response; no response was received prior to the end of the extension. Additionally, the Ministry has been in consultation with the First Nations with respect to the unfinished TFL 8 Section 8 AAC determination and Section 2 management plan decision process.

After FLNRORD sent out the Section 8 (3.1) referral letters to First Nations, the Ministry of Indigenous Relations and Reconciliation received a letter from seven of the southern Secwepemc Bands, which include the Splots'in Band. In the letter, the Splots'in Band expressed a desire to see the suspension of all engagement and consultation activities.

While I recognize the importance to my decision of engagement and consultation, I also recognize that this Section 8 (3.1) postponement decision aligns with a Section 8 AAC determination deferral, enabling a longer period for First Nations engagement and consultation. As such, I am willing to make this postponement decision with the level of engagement and consultation that has occurred.

With respect to engagement and consultation around the TFL Section 8 AAC determination and the Section 2 management plan, the Penticton Indian Band, Westbank First Nation, and the Osoyoos Indian Band expressed concerns about the identification and protection of cultural heritage resources within TFL 8. Following conversations with the First Nations above, Interfor requested further time to work with First Nations governments and communities to ensure that First Nations values in TFL 8 are identified and appropriately considered within appropriate plans and practices. I see value in this additional engagement going forward.

I also recognize that, under current legislation, without a Section 8 (3.1) postponement I would be required to make a new AAC determination by April 1, 2019.

However, since the licensee has conveyed its intent to engage with First Nations on a collaborative project to collect cultural heritage resource information, combined with Forest Analysis and Inventory Branch (FAIB) assessment indicating the current AAC for TFL 8 is sustainable for the next 20 years, I find it reasonable to consider a postponement decision.

In reviewing the consultation processes and responses received from First Nations, I am satisfied that the appropriate measures were taken by the Ministry to consult with First Nations regarding this postponement decision. As noted under ‘**Implementation**’, I expect the licensee to work with the First Nations to ensure the proposed project is completed and a revised management plan is submitted to the Ministry, six months before the end of the postponement period. During the postponement period, if additional new information becomes available that might affect timber supply, the AAC could be revisited earlier than the postponement date.

Postponement Decision

In summary, from my review of the Section 8 factors, the supporting information available, and results from the recent timber supply analysis, I have determined that a harvest level equivalent to the current AAC is feasible for the next 20 years with no appreciable impact on the mid- or long-term harvest forecasts. In reviewing the modelling assumptions and methods, there were no major errors or uncertainties with respect to the modelled land base or projected management practices. As such, I find that the harvest flow forecast presented in the 2018 analysis, which initiates at the current AAC, presents a reasonable projection of the timber supply in TFL 8. I have determined that based on the aforementioned analysis, the AAC for TFL 8, set on April 1, 2009, would not likely change significantly with a new determination at this time.

As discussed under *First Nations Consultation*, this decision recognizes the need to address concerns from First Nations regarding the desire to gather additional information that may potentially impact the licensee’s forest management plan and operations. A postponement of my AAC decision will allow time for this dialogue to take place.

Therefore, under my authority as outlined in Section 8 (3.1) of the *Forest Act*, I hereby postpone the next AAC determination to a date prior to April 1, 2021, which is 12 years since the last determination. If additional new information becomes available and/or significant changes in forest management requirements occur that may have a significant effect on timber supply, I am prepared to revisit the next TFL 8 determination at an earlier date.

Implementation

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

1. *Cultural heritage resources* – I expect the licensee to work collaboratively with First Nations to collect cultural heritage resource information within TFL 8 and revise the timber supply analysis and management plan accordingly;

2. *Management plan* – I expect the licensee to submit a revised management plan to the Ministry, six months before the end of the postponement period; and,
3. *Harvest performance* – I expect the licensee to continue to manage and utilize the available timber supply in TFL 8 in a manner consistent with the April 1, 2009, AAC determination and the established Provincial Timber Management Goals, Objectives & Targets for TFL 8.



Shane Berg, RPF
Deputy Chief Forester



February 1, 2019