

Chief Forester Order
Respecting an AAC Determination
For Tree Farm Licence No. 37

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 ... the chief forester ... by written order may postpone the next [allowable annual cut] determination ... to a date that is up to 10 years after the date of the relevant last determination, and ... must give written reasons for the postponement".

In considering whether to postpone the next AAC determination for Tree Farm Licence No. 37, held by Canadian Forest Products Ltd. (Canfor):

- I have reviewed each of the factors considered in the most recent relevant determination, made on December 22, 1998. That determination set the AAC at 1,068,000 cubic metres, effective on January 1, 1999. Based on the current five-year term, the AAC would be re-determined before January 1, 2004.
- I have reviewed the timber supply analysis accepted in October 1998 in support of that determination, including the sensitivity analyses. I am aware that the base case projected a harvest level of 1,068,000 cubic metres per year for the first decade of the forecast period. The modelled timber supply declined by 1.8 percent through the second decade, and then by 1.4 percent to a mid-term level of 1,034,200 cubic metres per year. In the twelfth decade, the modelled timber supply began to increase to a long-term harvest level of 1,172,100 cubic metres per year. This indicates that supply is stable across the entire planning horizon, subject to the assumed constraints and other parameters being appropriate.
- An alternative harvest flow indicated that the initial harvest level could be 10 percent higher, and could be maintained for two decades before declining below the base case for a brief period in the mid-term.
- In the 1998 AAC determination, the chief forester noted that "Canfor provided a sound and well-documented analysis with no significant information deficiencies".
- The only requests that the chief forester made of Canfor were that it "continue to examine potential management strategies to provide flexibility in accessing timber supply during decades seven and eleven", and that it "clarify the definitions of [not sufficiently restocked] areas and the relationship with regeneration delay".
- I have investigated whether any significant new information exists concerning each factor specified in Section 8(8) of the *Forest Act*. I am aware that:
 - the information used in the analysis for the last determination reflected, and still reflects, the most current technical information. Were I to make a new determination as scheduled late in 2003, staff advise me that there would be little change in the science-based analysis components (e.g. site productivity, inventory, growth and yield);

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- the licensee has been harvesting the species profile assumed in the 1998 analysis;
 - the licensee harvested almost exactly the full amount permitted by the AAC over the last five-year cut control period which ended in December 2000;
 - the licensee is developing wildlife habitat areas (WHAs) for Queen Charlotte Goshawk and marbled murrelet, and these WHAs should be in place by the end of 2004. The timber harvesting land base is expected to decrease by approximately 1500 hectares (which is about 1.4 percent of the timber harvesting landbase), or to be constrained in the WHAs to single-tree retention harvesting;
 - in December 2000, the Province promulgated the Vancouver Island Land Use Plan, specifying binding land-use objectives. The 1998 timber supply analysis indicated that the plan would have a small downward impact in the short term relative to the 1998 base case, which the chief forester took into account in the 1998 AAC determination; and
 - the licensee is currently using second-generation genetic stock in its planting program. The 1998 timber supply analysis indicated that this practise will improve short- to long-term timber supply relative to the 1998 base case.
- I remain guided by the economic and social objectives of the Crown as expressed in the Minister's letter dated July 28, 1994. The Minister said that "any decreases in allowable annual cut at this time should be no larger than are necessary to avoid compromising long-run sustainability". As mentioned above, the most recent timber supply analysis indicated that timber supply is very stable across the full planning horizon, such that small increases in operating constraints are not likely to require an AAC reduction at this time.
 - I am aware of the Province's obligation stemming from court decisions to consult First Nations on various forest management matters. I am also aware of First Nations' concerns about long-term conservation of old-growth cedar and culturally sensitive areas throughout Vancouver Island. However, I am not aware of any First Nations issues that would significantly impact short-term timber supply on TFL 37.

After reviewing the factors considered in the last AAC determination, and the currently available information, I have determined that the current allowable annual cut of 1,068,000 cubic metres is not likely to be changed significantly with a new determination made according to the current schedule.

I particularly note that a postponement of the next determination will afford all parties more time to verify, and where possible improve, information, and to assess First Nations interests in the area and to speak comprehensively to those interests in the next TFL management plan, which will underlie the next timber supply analysis.

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Under authority of Section 8(3.1) of the *Forest Act*, I hereby postpone by two years the next allowable annual cut determination for Tree Farm Licence No. 37. The next AAC determination is therefore now scheduled to be made before January 1, 2006, being seven years after the effective date of the last AAC determination.

If I conclude that timber supply parameters for the tree farm licence area have changed significantly in the interim, I may rescind this order as authorized by Section 8(3.2) of the *Forest Act*, and set a date for the next AAC determination that is earlier than January 1, 2006.

Ken Baker

Ken Baker
Deputy Chief Forester

January 15, 2003.

Date