

Chief Forester Order
Respecting an AAC Determination
For Tree Farm Licence No. 42

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 accordance with Section 23(3) of the *Interpretation Act*, the deputy chief forester is expressly authorised to carry out the functions of the chief forester, which include those required under Section 8 of the *Forest Act*. I, the deputy chief forester, have considered the factors described below and order the postponement of the allowable annual cut (AAC) determination for the reasons noted in this document.

In considering whether to postpone the next allowable annual cut (AAC) determination for Tree Farm Licence No. 42 (TFL 42), held by Tanizul Timber Ltd. of Fort St. James, B.C. (the licensee):

- I have reviewed the letter provided by the licensee dated January 3, 2006 requesting that the AAC determination for TFL 42 be postponed for at least two years. In the letter the licensee noted:
 - It is challenged to sell expensive logs into a glut market, making resources for planning very limited;
 - The TFL is being heavily damaged by bark beetles, and that harvest was being concentrated in beetle damaged stands;
 - It is challenged to log the entire AAC; and
 - That a deferred timber supply analysis will be more worthwhile than at present.
- I have reviewed each of the factors considered in the most recent relevant AAC determination announced July 12, 2001. That determination set the AAC at 160,000 cubic metres effective on August 1, 2001.
- I have revisited the many factors that were sources of uncertainty in the 2001 AAC determination. For many of these factors the available information has not changed since the last determination.
 - According to the licensee and district staff, the Spruce Beetle (SB) problem continues on the TFL. The licensee estimates the SB to have attacked 30-60% of susceptible spruce. However, both the licensee and district staff agree the SB outbreak now appears to be slowing down.
- I have investigated whether any significant new information exists concerning each factor specified under Section 8 of the *Act*. The most significant change since the 2001 determination is the epidemic status of the Mountain Pine Beetle (MPB) infestation. According to the provincial entomologist’s assessment the TFL is now completely over-run by MPB. This view is supported by the 2005 provincial forest

health overview flight mapping information. I also considered the following information:

- Some timber cruise compiled volumes for pending harvest blocks, considered representative of some of the more seriously attacked stands, show both MPB and SB are highly prevalent. MPB probes show 80% of susceptible pine attacked for blocks in cutting permits.
- A significant uncertainty is the extent to which logging is able to recover susceptible and damaged timber. Unfortunately, only approximate information is available to estimate the volume of susceptible timber.
- The estimated susceptible pine volume ≥ 60 years is 2.264 million cubic metres (not adjusted for depletion 2004-2006). Assuming shelf-life estimates for wet zones of 7-10 years, this indicates a potential annual harvest of up to 226,400 cubic metres to salvage the susceptible pine compared with the current AAC of 160,000 cubic metres.
- The above volumes do not include the 30% to 60% of spruce leading stands estimated to have been damaged due to the SB. The total spruce volume ≥ 60 years on the TFL is 2.284 million cubic metres.
- I am aware of the Province's legal obligation stemming from court decisions to consult First Nations on proposed decisions concerning various forest management matters. I have reviewed the information obtained through the First Nations consultation process undertaken by the Ministry of Forests and Range (MOFR) with the First Nations whose asserted traditional territories cover all or part of the area covered by TFL 42.
 - The Tl'azt'en First Nation and Yekooche First Nation were identified as having asserted traditional territories that include the TFL 42 area.
 - No comments were received from the Tl'azt'en First Nation. The Yekooche responded with a letter requesting more information regarding the AAC determination process. MoFR analysis staff responded to the Yekooche First Nation's questions. No further feedback was received.
 - The consultation process considered that the Yekooche First Nation has entered into a Forest and Range Agreement (FRA) and that Traditional Use Studies (TUS) have been undertaken by both the Yekooche and Tl'azt'en First Nations throughout their asserted traditional territories.

The licensee has requested a postponement of the AAC determination for at least two years. Having reviewed and considered the available information, particularly with respect to the MPB and SB infestations on TFL 42, I conclude that there is limited public risk and ample grounds to grant this postponement for the maximum 10 years after the last determination allowed under Section 8(3.1) of the *Forest Act*. Based on the available information, opportunities for salvage on this TFL may well be higher than the current AAC; however, given the historical under-utilization of the harvest by the licensee, I find no grounds for considering a higher AAC at this time. The next determination will be no later than July 12, 2011.

I include the following instructions for harvesting with this postponement:

- I instruct the licensee to direct the focus of the AAC to the salvage of both MPB and SB attacked stands so that value can be realized before timber quality deteriorates to a non-merchantable condition.
- For MPB attacked forests, harvesting should focus on stands with at least 70% pine in order to maximize salvage while reducing risk to mid-term timber supply. To the extent that the licensee foresees that some of these stands will not be harvested during the period of this AAC decision, the licensee should carefully select stands to harvest, leaving some stands with especially well developed advanced regeneration for mid-term wood supply.
- For SB attacked stands, I encourage the licensee to apply similar principles with a view to salvaging the spruce while protecting other stand components to augment mid-term timber supply. In addition, I ask that the licensee promptly dispose of any substantial spruce wind-throw to reduce the risk of resurgence of the SB infestation.
- Although the size of this TFL is relatively small, the potential concentration of salvage harvesting operations can lead to increased risk to watershed hydrology, biodiversity, wildlife habitat and non-timber values. I strongly encourage the licensee to consider the chief forester's recent guidance on retention strategies related to large-scale salvage operations and to apply them where large blocks may develop over time.

I recognize that the licensee has faced very challenging operating conditions on this TFL and that financial resources have been limited. However, it is important that strategic investments be made for information collection and analysis. These are needed to support preparation of the next Timber Supply Review for TFL 42 which must begin 18-24 months prior to the next determination. I see this as integral to the stewardship responsibilities assumed by the licensee in this area-based tenure. Sufficient consideration should also be given to the deputy chief forester's recommendations contained in the 2001 rationale.

I request that the licensee provide me with a work plan and schedule by November 1, 2008 detailing preparations for the next timber supply analysis so that the AAC determination can be made by July 12, 2011.

The extensive beetle damage on this TFL will change the forest cover composition significantly over the next few years. In principle, there will be an increased need for updated information on which analyses and assessments can be made about future growth performance and harvesting potential. In this regard I provide the following suggestions for consideration:

- Some information collection on specific issues might be facilitated through collaborative arrangements with MoFR Regional and District staff, universities and the Canadian Forestry Service.
- The annual Provincial Forest Health overview survey provides a valuable information source for assessing the progression of pest infestations and also contains information on large areas of windthrow. MoFR Region and District staff have resources

available to collect supplementary information on features identified in the overview survey.

The licensee advised me that an Order in Council was recently passed that provides it with stumpage rates that are closer to the regional average, and that this has enabled a renewed harvesting activity following a relatively poor year in 2005. If the licensee is able to demonstrate harvesting performance, I will consider a proposal for an AAC increase for the purposes of achieving more complete utilization of beetle-killed timber and reduction of non-recoverable losses.

I am authorized to rescind this order under Section 8(3.2) of the *Forest Act* if I conclude that circumstances on the TFL that influence timber supply have changed significantly during the interim. I will also rescind this order if any new issues arise concerning First Nations that may impact timber supply.



Henry Benskin, R.P.F.
Deputy Chief Forester

19 December 2006.

Date