

**Detailed Forest Management Plan
Approval Decision**

ANC Timber Ltd.

**Whitecourt, Alberta
Forest Management Agreement
8900026**

**Date: March 22, 2002
Effective: May 1, 2001**

Approved by: *Original Signed by,*
**D. (Doug) A. Sklar
Executive Director
Forest Management Branch
Land and Forest Division**

Executive Summary

The Approval Decision documents the facts considered, assumptions made and conditions imposed by the Executive Director of Forest Management Branch (FMB) regarding ANC Timber Ltd. Detailed Forest Management Plan (DFMP) submitted for department review and approval on October 10, 2001. The Approval Decision details the requirements of the Company for DFMP implementation.

During the development of the DFMP (1999-2002), discussions between the company and Sustainable Resource Development (SRD) staff did not entirely resolve all issues. The Executive Director feels that further discussion regarding the DFMP would not be a productive use of staff time and has undertaken to bring closure to this issue by providing this analysis and direction based on input from staff and the Company. Future energies of both SRD and company staff can be more productively directed at implementing the plan, rather than continuing to discuss the plan contents.

The Detailed Forest Management Plan for ANC Timber Ltd. submitted October 10, 2001 is approved subject to the Approval Conditions and Annual Allowable Cuts presented.

Approval Conditions

1.0 Yield Assumptions

ANC will:

- 1.1 by September 1, 2002, obtain FMB approval for a monitoring program to measure the actual growth of timber on the FMA area.*
- 1.2 obtain SRD approval of a silviculture prescription protocol by September 1, 2002.*
- 1.3 obtain any approvals necessary to deploy improved stock within one year of the implementation of a forest genetics policy.*

2.0 Harvest Sequence

Only the stands identified in the mapped Harvest Sequence are approved for harvest during the first 20 years of the planning period.

3.0 Residual Stand Structure

ANC will utilize up to 3% of the merchantable volume, in addition to the non-merchantable components of harvested stands, to create an optimum amount of retained stand structure. ANC will obtain FMB approval for protocols for stand structure retention by September 1, 2002. Failure to obtain approval will result in the Executive Director reducing ANC's AAC by 3%.

4.0 Long Term Access Development Plan (LTADP)

ANC will obtain approval from the Woodlands Forest Area Manager of an updated LTADP and append it to the DFMP by September 1, 2002.

5.0 Enhanced Forest Management

ANC will co-operate with any quota holder wishing to engage in Enhanced Forest Management on the FMA, utilizing the EFM Technical Protocols to guide the process.

6.0 Fair Site Black Spruce

Harvesting of fair site black spruce can be included in the harvest sequence variance. Until such time as the Timber Supply Analysis is revised to include these sites, any volume harvested will be chargeable to the currently approved AAC.

7.0 Quota Operating Areas

ANC is expected to reach agreement with the quota holders on their respective operating areas by September 1, 2002.

8.0 Monitoring Reporting

ANC will obtain approval from SRD by September 1, 2002 for a standardized set of reports to effectively document the results of an efficient monitoring program for DFMP implementation.

9.0 Public Involvement Plan

ANC will submit a revised Public Involvement Plan (PIP), satisfactory to the Woodlands Forest Area Manager, by September 1, 2002, and annually thereafter.

10.0 SRD Review Team Comments

ANC is to meet with the SRD review team to discuss their comments and address issues raised in a final version of the DFMP to be submitted by October 1, 2002.

11.0 Post Approval Items

ANC is to submit an action plan detailing timelines for completion of post-approval items by May 1, 2002.

TABLE OF CONTENTS

<i>Introduction</i>	<i>1</i>
1. Forest Management Plan Area	1
2. History of ANC's DFMP Development	1
3. Decision Scope	2
4. Outstanding Issues	2
4.1 Yield Assumptions	2
4.1.1 Assumed Increase in Regenerated Yields	2
4.1.2 A & B Density Stands	3
4.1.3 Tree Improvement Yield Increases	3
Approval Condition 1:	4
4.2 Harvest Sequence	5
Approval Condition 2:	6
4.3 Structure Retention	7
Approval Condition 3:	8
4.4 Long-term Access Development Plan (LTADP)	8
Approval Condition 4:	9
4.5 Quota Holders	9
Approval Condition 5:	9
Approval Condition 6:	9
Approval Condition 7:	9
4.6 Monitoring	9
Approval Condition 8:	10
4.7 Public Involvement	11
Approval Condition 9:	11
4.8 Review Comments and Post-Approval Items	11
Approval Condition 10:	11
Approval Condition 11:	11
5. Approved Annual Allowable Cuts	12
6. Authorization	12

Introduction

The Executive Director of the Forest Management Branch (FMB), Land and Forest Division of the Department of Sustainable Resource Development (SRD) has the authority to approve for implementation, Detailed Forest Management Plans (DFMP) prepared by Forest Management Agreement (FMA) holders. This Approval Decision documents the facts considered, assumptions made and conditions imposed by the Director regarding the ANC Timber Ltd. (ANC) Detailed Forest Management Plan submitted for department review on October 10, 2001.

This Approval Decision details the requirements of the Company for DFMP implementation. The Approval Conditions contained herein are non-negotiable.

Conditions in this Approval Decision are consistent with the terms of the Forest Management Agreement and failure by ANC to fulfill the direction provided in this Approval Decision will place the Company in default of their Forest Management Agreement.

1. Forest Management Plan Area

The area under consideration is the Forest Management Agreement area of ANC. FMA #8900026 was allocated to ANC through Order-in-Council (O.C. 313/89), dated June 8, 1989, and subsequently amended through Order-in-Council 428/96. Chapter 2 of the DFMP (Landscape Assessment) describes the planning area in detail.

The FMA area is comprised of four forest management units (FMUs) or partial FMUs, which are W1, W8, E6, and E7. The portions of E6 and E7 within the ANC FMA area are sometimes referred to jointly as FMU W10. Additionally ANC has utilized the FMUs as sustained yield units (SYUs) within the DFMP. The SYUs have been labelled as Pine (W8), Little Smoky (W1), Foothills (E7), and Berland (E6). ANC's FMA area overlaps portions of four natural sub-regions, which include the central mixedwood, the lower foothills, the upper foothills, and the subalpine.

2. History of ANC's DFMP Development

ANC was awarded the FMA in 1989 and developed and submitted their first DFMP in 1992. Substantial reductions in Annual allowable cut proposed by ANC in the 1992 DFMP led to extensive review concluding with a revised DFMP receiving Alberta Environmental Protection approval July 15, 1996. Implementation began and preparations were made for the next DFMP submission.

The second DFMP was submitted June 1999 and after prolonged discussions between the Company and the Department of Sustainable Resource Development (SRD), a final submission was made October 10, 2001. The final submission, while not complete in all its elements, contains significant improvements in forest management. This Approval Decision is designed

to bring closure to the planning process and provide direction for the successful and efficient implementation of the Plan.

3. Decision Scope

This decision covers and grants approval for the following sections of ANC's DFMP draft dated October 2001, except where otherwise noted in this decision;

- 2001 Detailed Forest Management Plan, Chapters 1-5,
- Forest Inventory & Timber Supply Analysis, Sections 1-5, Appendices A-G,

In the event of an inconsistency between this plan and existing, revised or new legislation or regulation, the legislation or regulation shall apply.

4. Outstanding Issues

4.1 Yield Assumptions

4.1.1 Assumed Increase in Regenerated Yields

The Timber Supply Analysis (TSA) submitted in October 2001 makes an assumption that regenerating stands will produce timber volumes higher than those of natural stands. The assumption is that stands will be fully stocked and regenerating stand volumes will increase by 25% of the difference between the empirical CD density yield curves generated by ANC and yield curves developed in 1985 using Land and Forest Divisions permanent sample plots (PSP). The 1992 DFMP contained this assumption and was approved at that time with the expectation that a verification program would be implemented within a ten-year time frame (i.e. in time to incorporate some preliminary results into the 1999 DFMP). At the time of submission SRD was not aware of a monitoring program to verify the assumptions made in the 1992 DFMP. Furthermore, ANC recognizes that this assumption is "...weakly backed up..." and to date SRD staff would agree. A commitment to implement an effective monitoring program is in order.

The TSA submitted by ANC indicates that an annual allowable cut reduction of approximately 6% (the difference between the sums of runs; 186, 187, & 190 and; 122, 123, & 124) would be necessary in ten years if this assumption proves to be false. I believe that the potential fall-down is significant since Albertans expect SRD to execute sustainable forest management, which means maintaining the same opportunities for future citizens of the Province as exist today. If the probability of having to incur such a reduction was high, I could not accept the assumption until it was statistically verified. However, the potential for ANC to implement ameliorative action (e.g. enhanced forest management, increased utilization standards) is high and consequently the probability of having to actually incur an AAC fall-down is low.

Consequently, I am prepared to accept this assumption in this DFMP; however, the scarcity of supporting data must be addressed.

The absence of a program to assess regenerated yield assumptions in the DFMP has to be rectified. The FMA and the 1992 DFMP commitment to implement a permanent sample program to monitor and verify natural and regenerated yield assumptions have been in place for over a decade. A program, approved by SRD, must be implemented in the very near future. Note that the new provincial requirement to utilize plot data from regeneration surveys will be very helpful in this regard. Over the next decade, this will provide substantial and valuable growth information to verify the assumptions that have been made.

A closely related matter is the Company's commitment to silvicultural treatments that are necessary to generate the proposed enhanced yields. The DFMP is silent on silvicultural practices. ANC makes the assertion that "... yields improve due to the fact that they (*reforested stands*) are managed to meet the minimum regeneration standards." (pages 3-7). The assumption that meeting the minimum provincial standard will result in increased yields does not seem credible and there is no information in the DFMP about the silvicultural tactics that would enhance the credibility of this assumption. ANC needs to address this uncertainty. It is noted that quota holders are benefiting from the increased yields and thus will have to commit to the silvicultural prescription as well.

4.1.2 A & B Density Stands

The timber supply analysis projects the elimination of A and B density stands from the timber harvest landbase over time. If this assumption proves to be accurate, there may be concerns about maintaining the ecological contribution of these stands and future management plans would be expected to address this concern. I offer this as an observation and a "heads up" for future planning. I do not propose any changes to the DFMP to address this concern at this time.

4.1.3 Tree Improvement Yield Increases

The DFMP assumes an 8% increase in yields across good and medium conifer sites in FMU W8 and justifies this assumption by referencing Beck and Beck (1996) as supporting documentation. The use of this reference to support the increased yield assumption is erroneous. Beck and Beck specifically state that they "...looked at the possible allowable cut effects...", they did not verify/validate enhanced yields but rather used assumptions about enhanced yields. Their yield assumptions were species specific (8% for pine, 5% for spruce). In addition, Beck and Beck assumed a planting density of 1600 trees per hectare. ANC makes no mention of the need to plant and maintain improved stock at this density to justify the increased yield assumption.

Similar to the regenerated yield assumptions discussed in 4.1.1, accepting the yield increases assumed to result from improved stock is not substantiated by any empirical

data. The TSA submitted by ANC indicates that the potential fall-down in AAC in FMU W8 that would result from complete failure of the yield assumption is approximately 7 % (difference between runs 183 and 125). This is significant if it comes to pass.

However, in spite of concerns about the assumptions in the DFMP, I recognize that ANC is actively involved in forest genetics programs, which I support and encourage. As well, FMB is currently working with stakeholders to develop a comprehensive forest genetics policy that will guide the deployment of improved stock, and foster an environment conducive to research and investment in forest genetics. As a result, I believe that concerns over the DFMP assumptions can be effectively addressed. This will require that ANC adheres to the genetics policy and implements a monitoring program approved by SRD.

Approval Condition 1:

The yield assumptions are approved with the following conditions:

1.1 ANC will implement a monitoring program to measure the actual growth of timber on the FMA area. The program must be reviewed and approved by FMB (prior to implementation) no later than September 1, 2002. Failure to meet this Condition of Approval deadline will result in a reduction of the AAC to a level reflecting natural, (i.e. un-enhanced) yields effective May 1, 2001.

The following objectives must be addressed by the monitoring program:

- a) Focus on regenerating stands (0-30 years of age).**
- b) Fully utilize the information that can be derived from analysis of plot data collected during regeneration surveys required by regulation.**
- c) Develop statistically credible estimates (standards to be set by SRD) of height (average dominant and co-dominant) and density by species for each yield strata used in the DFMP.**
- d) Ensure that genetically improved stock is monitored in stands where improved yields are assumed to accrue from the use of such planting stock.**
- e) Utilize to the fullest extent possible, innovative monitoring technologies (e.g. large scale photography) to reduce, but not replace, the use of permanent sample plots.**
- f) Include a detailed action plan to direct the program.**

1.2 ANC is to obtain FMB approval of a silviculture prescription protocol by September 1, 2002. The protocol will describe for each leading species, the prescription(s) to be used to establish stands necessary to obtain the projected yields. The protocol must describe the site treatments, planting densities and tending treatments proposed. The

protocol is to include prescriptions used by quota holders as well. Failure to meet the approval deadline will result in reduction of AACs to un-enhanced levels effective May 1, 2001.

- 1.3 Within one year of the implementation of a Provincial forest genetics policy, ANC will obtain any approvals necessary to deploy improved stock and implement monitoring programs to validate enhanced growth assumptions. Failure to meet the approval deadline will result in the reduction of AAC to a level reflecting natural yields effective at the beginning of the timber year in which the policy is announced.**

4.2 Harvest Sequence

The department is implementing new approaches for sequencing of harvest activities across the landscape over time. SRD worked with ANC during the review period to implement these approaches as evidenced in Section 3.5.4.2. Figures 3.10 – 3.13 labelled 20 Year Stand Sequence represent a combination of company and TSA model selected stands. Page 3-30 commits the company to follow the harvest sequence characterized by yield strata and age class. Appendix F (detailed sequence listing by yield strata), which was accepted by SRD during the review period, does not have the age class information referenced above.

The mapped harvest sequence presented is the most important DFMP output. Future forest condition (including wildlife habitat), while dependent on many factors, is strongly influenced by projected harvest patterns and intensities. I now believe, following my review, that adherence to the harvest sequence (HS) is crucial in achieving the predicted future forest condition.

A number of questions concerning the HS have been raised during the review that require some discussion. First is the question of whether or not and the future forest produces conditions that fall within the natural range of variability?

The range of natural variability is very broad and there is no evidence that the predicted future forest conditions fall outside the range of natural variability. There are no accepted standards for assessing the suitability of age class distribution, patch size distribution, or connectedness/fragmentation. Proposals to develop more specific standards for future forest structure are addressed in strategies in Section 5.1 and presumably as these are executed more quantifiable objectives can be established to characterize the range of natural variability. I believe that the future forest predicted falls within the range of natural variability as it is currently understood and thus is acceptable.

The second question regards the need to coordinate the harvest sequence with adjacent FMA areas. This is one of the key strategies in caribou management in West-Central Alberta but it has not been explicitly executed at this time. The harvest sequence in all the affected FMA's will have to be re-evaluated when the West-Central Alberta Caribou Standing Committee provides standards and targets to guide the co-ordination.

The third question asks for a rationale for proposing large contiguous harvest patches. This is a result of the strategy to avoid some compartments in the caribou zone for twenty years and concentrate harvesting activity in fewer compartments. This results in fewer compartments being operated at one time than would be the case if the current practice of small blocks and two pass harvesting were to continue. The potential impacts of large harvest openings will be ameliorated through retention of stand structure, creation of riparian buffers, careful attention to the visual quality of harvest areas prompt and effective reforestation and effective public involvement in the harvest design. Meaningful public input on the harvest plans derived from the HS will be essential.

A fourth question asks how commitment to the HS will streamline future operational planning work. It is anticipated that approval of AOP's will be simplified if ANC adheres to the HS. The ground rules will identify stand level factors that are to be addressed in the harvest design (e.g. critical wildlife habitat such as dens) and standards of practice (e.g. road construction, erosion control, stream crossings) that must be implemented, but need not dwell on issues already addressed in the DFMP and HS. If the HS is not followed, then a complete review of the harvest design to assess landscape issues will need to be undertaken.

A fifth question was whether or not ANC should postpone harvesting areas within the caribou zone. It was suggested that this requirement was necessary if ANC was committing to follow the *1996/97 Operating Guidelines for Industrial Activity in Caribou Ranges in West Central Alberta*. However, the review also raised the point that the first principle of the guidelines was:

“Industrial activity can occur on caribou range provided the integrity and supply of habitat is maintained to permit its use by caribou”.

In addition, ANC undertook an analysis of the impact of harvesting on caribou habitat, based on SRD's "best knowledge" definition of caribou habitat. The analysis showed that SRD requirements for species, age, and area could be met over the next 50-year period. SRD also determined that a requirement to defer harvest for a 10-20 year period in large portions of the ANC FMA that comprise the caribou zone, would be inconsistent with the rights granted ANC in the FMA.

Approval Condition 2:

Only the stands identified in the HS are approved for harvest during the first 20 years of the planning period.

The following guidelines apply:

- 2.1 With respect to the HS presented in the DFMP, since it was not reviewed with these approval conditions in mind, ANC will review it with SRD and the quota holders. A revision of the HS may be requested by the Executive Director following consultation between ANC, SRD and quota holders where he believes that the HS in the**

DFMP is seriously deficient. These revisions to the HS must be completed by September 1, 2002.

- 2.2 To provide flexibility to address operational planning concerns, ANC and/or quota holders are authorized to modify the HS by up to 20% of the total sequenced area in each compartment in each decade, and, by up to 10% of the projected strata/age class areas listed in the compartment tables of Appendix F of the Timber Supply Analysis. The tables in Appendix F will be revised to include age class breakdown, by strata, by compartment. This rule for harvest sequence variance will be reviewed concurrently with the HS review required in 2.1 above.**
- 2.3 In the event that an operational plan exceeds the limits established in 2.2, ANC and/or quota holders will provide a rationale to SRD. SRD may require that the timber supply analysis be revised.**
- 2.4 ANC may prepare revised sequences for approval by SRD when it believes that circumstances require a revision to the HS. Any such revisions will require consultations with embedded quota holders and may also require a revision to the TSA and resulting future forest predictions, at the discretion of SRD.**
- 2.5 SRD will generally not request a modification of the HS for the first 10 years of the planning period unless it is required by a change in legislation or a policy approved by the Minister of SRD.**
- 2.6 The harvest design for compartments E7-6, E7-14 and W8-6, W8-7, and W8-8 are to be developed in time to allow at least two years of public input so that any issues can be resolved before harvesting is scheduled to commence, unless otherwise agreed to by the Woodlands Forest Area Manager**

4.3 Structure Retention

The DFMP states that emulation of natural disturbance patterns is critical to the goal of conservation of biological diversity. By harvesting stands as per the HS, natural patterns across the landscape will be maintained and it is assumed this will contribute to the maintenance of biodiversity. Meaningful commitment to retained stand structure is required.

Across the Province, forest industries have committed to merchantable tree retention to create stand structure. SRD has approved forest management plans that commit to leaving 1%-15% of merchantable volume for biodiversity purposes. ANC essentially commits to the upper range (15%) for compartment E7-14.

I believe that structure retention is essential but I am concerned that there are no scientifically derived conclusions to guide how much residual structure is sufficient to maintain adequate biodiversity. Since every merchantable tree not harvested represents a lost economic opportunity for Albertans, leaving more than is necessary is to be avoided. The goal is to leave enough to obtain adequate biodiversity benefits, but not more than is warranted.

ANC has completed an assessment of the potential for the maintenance of stand structure through retention of non-merchantable components of stands (Sections 2.3.6.6 and 5.1.2.6). The assessment suggests that stand structure could be effectively maintained by protecting coniferous understories, live balsam poplar or white birch stems, standing dead trees, and undersized trees. However, there is no firm commitment in the DFMP to direct how this would be done other than to define these practices in the ground rules and through the Fish and Wildlife Integrated Technical Committee (FWITC).

I believe that for ANC to adequately define the operational practices through the ground rules and FWITC, measurable targets must be set in the DFMP. In addition, the program must address the retention of some level of merchantable volume to be credible.

Approval Condition 3:

ANC will utilize merchantable and non-merchantable components of harvested stands to create an optimum amount of retained stand structure.

The following targets apply:

- 3.1 Up to three percent (3%) of the total merchantable volume will be left unharvested to create stand structure. Rather than simply deducting this volume from the approved AAC, ANC will determine the amount of merchantable volume retained for stand structure through a field assessment program approved by SRD. This volume will be accounted for as production against the AAC.**
- 3.2 By September 1, 2002, ANC will obtain FMB approval for protocols for leaving undisturbed an optimum amount of structure, utilizing non-merchantable and merchantable stand components. Failure to meet this deadline will result a reduction of FMA AAC by 3%, effective May 1, 2001.**

4.4 Long-term Access Development Plan (LTADP)

Access development and management is a critical function in sustainable forest management. Understanding this, ANC's LTADP plan is to be updated and included in the DFMP.

Approval Condition 4:

ANC will obtain approval from the Woodlands Forest Area Manager of an updated LTADP and append it to the DFMP by September 1, 2002.

4.5 Quota Holders

ANC has repeatedly assured me that quota holder interests have been addressed through discussions between the companies.

Quota holders have a desire to participate in enhanced forest management activities (EFM). It is my understanding that ANC does not oppose this and believes that provisions in the EFM Technical Protocols enable them to do so.

The quota holders expressed concern that they may not be able to harvest fair site black spruce, as it was a deletion from the productive landbase in the TSA. After discussions with the department, it was agreed that black spruce would not contribute to the approved AAC but limited harvesting would be allowed. I remain skeptical about the benefit of harvesting these stands. Reforestation of these sites will be difficult and if they are harvested the predicted future forest may be significantly modified.

The quota holders met with the department and ANC to discuss the implication of the proposed harvest and compartment strategy. It was agreed that ANC would provide the quota holders with the information needed to assess the harvest sequence.

Approval Condition 5:

ANC will co-operate with any quota holder wishing to engage in EFM on the FMA, utilizing the EFM Technical Protocols to guide the process.

Approval Condition 6:

Harvesting of fair site black spruce can be included in the harvest sequence variance described in Approval Condition 2.2. Until such time as the Timber Supply Analysis is revised to include these sites, any volume harvested will be chargeable to the currently approved AAC.

Approval Condition 7:

ANC is expected to reach agreement with the quota holders on their respective operating areas by September 1, 2002.

4.6 Monitoring

During development of the DFMP revision, the review team stated that the monitoring criteria and reporting details were not sufficient. ANC acknowledges this within the plan and states that further requirements for monitoring will be developed immediately following the approval of the DFMP in collaboration with SRD. SRD's objective is to know in detail what is happening regarding the implementation of the DFMP but recognizes that everything is not equally important.

Monitoring results will be reported in a Stewardship Report (each five years) and annual reports. The reports are to be formatted so as to present what was proposed, what was implemented, the variance and how any variance has or will be addressed.

Most of the strategies in the DFMP (Chapter 5) are unmeasurable planning activities (e.g. will begin to model, will learn more, will work with). With such strategies, it is impossible to quantitatively assess the results of these planning activities to determine if there was or was not a variance. There is heavy reliance on FWITC and the ground rules to resolve strategies without any firm commitments for content, standards or deadlines. All that can be reported on planning activities is what activities have taken place and a subjective evaluation of any variance. Although in some cases (e.g. the Approval Conditions in this decision) planning activities can have definite deadlines and performance standards to be met, I am of the opinion that reporting and analyzing these planning strategies is not a productive use of time and should not be the priority in a monitoring program. Scarce staff time and resources (both industry and government) must be focused on monitoring timber supply assumptions and the effectiveness of the coarse-filter approach in maintaining biodiversity.

ANC is solely responsible to carry out the activities required to monitor and report on the assumptions, predictions and activities associated with the timber supply analysis (critical items are addressed in Approval Conditions 1, 2, & 3 contained in this decision). To this end, ANC is required in the FMA to maintain the Alberta Vegetation Inventory (AVI), which can be used to monitor the future forest structure and assess its development for comparison to DFMP predictions. Implementation of a concise, objective and cost-effective monitoring strategy with enough rigour to address assumptions in the timber supply analysis is essential. I believe that most of this can be accomplished by utilizing work required to comply with this decision. Updating the required forest resource inventories, which is required in the FMA, will also assist in meeting this monitoring requirement.

Monitoring the effectiveness of the coarse-filter approach is more problematic. It is recognized that many factors beyond the scope of the DFMP can affect biodiversity (e.g. climate change, other industries). As well, there is little agreement on how to assess biodiversity. Projects are being evaluated in this regard (Alberta Forest Biodiversity Monitoring Program), but they are not ready for deployment at this time. In the event that such programs are implemented, ANC is expected to participate.

Approval Condition 8:

ANC will obtain approval from SRD by September 1, 2002 for a standardized set of annual and stewardship reports to effectively document

the results of an efficient monitoring program for DFMP implementation. The monitoring reports will focus on the verification of assumptions, predictions and activities used in the timber supply analysis, and, the forest structure created by implementation of the DFMP. In addition, ANC will report on the progress of all activities proposed in Chapter 5 in a Stewardship Report due every five years.

4.7 Public Involvement

ANC relied heavily upon the Regional Forest Advisory Committee (RFAC) for the development of the DFMP. While the RFAC is a legitimate mechanism, it is only one method for obtaining meaningful input into the forest management planning process. It is unclear within the DFMP as to how the general public provided information or raised concerns, and how each issue was documented and resolved by the company. At a meeting earlier in the year, open houses held in June were mentioned but any concerns raised were not discussed at the time and they are not documented within the DFMP. Public support for the proposed forest management strategy is necessary and desirable.

Approval Condition 9:

ANC will submit a revised Public Involvement Plan (PIP), satisfactory to the Woodlands Forest Area Manager, by September 1, 2002, and annually thereafter. An alternate annual submission date following the submission of the initial PIP can be negotiated with the Forest Area Manager.

4.8 Review Comments and Post-Approval Items

The review team provided a number of comments regarding content. Comments ranged from grammar and format to concerns about sections previously discussed. The approval conditions in this decision have addressed many of the substantive comments, however, there remain a number that are worthy of ANC's due consideration. As well, there was a short list of post-approval items to be addressed. These comments and post-approval items will be sent to ANC under separate cover.

Approval Condition 10:

ANC is to meet with the SRD review team to discuss their comments and address the documented concerns. The agreed upon changes will be incorporated into a final version of the DFMP to be submitted by October 1, 2002.

Approval Condition 11:

ANC is to submit an action plan detailing timelines for completion of post-approval items by May 1, 2002.

5. Approved Annual Allowable Cuts

The following table shows the approved AACs under the regenerated yield assumptions. The last two columns show the AACs that will be implemented if requirements under Approval Condition 1 are not completed. All volumes are based on a 15/10 utilization factor and the AACs are effective as of May 1, 2001.

FMU (SYU)	Approved Regenerated Yield AACs			AACs representing Natural Yield Assumption		
	TSA Run #	Conifer	Deciduous	TSA Run #	Conifer	Deciduous
E6 (Berland)	186	41,000	16,251	122	38,625	4,754
E7 (Foothills)	187	139,500	5,189	123	133,750	4,590
W1 (Little Smoky)	190	357,000	38,613	124	335,000	41,364
W8 (Pine)	183	75,500	11,697	125	70,000	10,456

Note: There will be a further 3% reduction to the AACs if requirements under Approval Condition 3 are not met.

6. Authorization

The Detailed Forest Management Plan for ANC Timber Ltd. submitted October 10, 2001 is approved subject to the Approval Conditions and Annual Allowable Cuts presented in this document.