

Memorandum

From: Darren Tapp, MBA, MF, RPF
 Executive Director

Our File Reference: 06284-S10-01
 06284-S10-04

To: Trevor Lamabe
 Forest Area Manager, Peace Forest Area
 2rd Floor, Provincial Building
 9621 - 96 Avenue
 Peace River, Alberta T8S 1T4

Date: March 14, 2016

Subject: **APPROVAL – FOREST MANAGEMENT UNIT S10 ANNUAL ALLOWABLE CUT ADJUSTMENT**

I have reviewed the Forest Management Unit (FMU) S10 annual allowable cut (AAC) adjustments and approve it for implementation.

The following applies:

1. The approved AACs are effective beginning May 1, 2016 per attached tables.
2. All operators shall adhere to the approved spatial harvest sequence (SHS) within each compartment.
3. The Slave Lake Regional Timber Harvest Planning and Operating Ground Rules shall guide forestry operations to effectively implement and monitor the timber supply analysis (TSA) and SHS.
4. All merchantable timber harvested in the FMU, salvaged or not, shall be charged to the AAC. Timber volumes from land-use dispositions shall be determined using Timber Damage Assessment tables for AAC drain, unless otherwise agreed to by the Director, Timber Production, Auditing and Revenue Section.
5. Structure retention is addressed in the TSA. An average of 3 percent of the harvested area will retain merchantable timber representative of the forest condition in the harvest area per Table 1.

Table 1. FMU S10 Structure Retention

Harvest Area (ha)	Structure Retention (% of area)
0 – 10	0
11 – 20	1
21 – 50	3
51+	5

6. Public and Aboriginal consultation shall be conducted on an on-going bases. Documentation of issues raised and actions taken to address each noted issue is required.
7. The Senior Forester, Peace Forest Area shall coordinate a Stewardship Report for submission to the Director, Forest Resource Management Section on or before May 1, 2016.

Yours truly,

Original signed

Darren Tapp, MBA, MF, RPF
Executive Director

Enclosure (11)

cc: Derek Bakker, Senior Forester, Peace Forest Area
Robert Popowich, Director, Forest Resource Management
Daryl Price, Director, Forest Resource Analysis
Doug Schultz, Director, Timber Production, Auditing and Revenue
Dan Lux, Executive Director, Forest Tenure, Trade and Policy

Table 1. Historical Coniferous Allocations and Annual Allowable Cuts

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15+/10/30 cm	Total Approved AAC (m ³)
S10	West Fraser Mills Ltd.	CTQS100004	Separate Distinct	All-FMU	C, CD, DC	58.7900%	64,524	64,524
S10	Boucher Bros. Lumber Ltd.	CTQS100005	Separate Distinct	All-FMU	C, CD, DC	41.2100%	45,228	45,228
FMU S10 Total							109,752	109,752

Notes:

Effective date: May 1, 2011

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15+ / 10 / 30 cm	Total Approved AAC (m ³)
S10	West Fraser Mills Ltd.	CTQS100004	Separate Distinct	All-FMU	C, CD, DC	58.7900%	56,789	56,789
S10	Boucher Bros. Lumber Ltd.	CTQS100005	Separate Distinct	All-FMU	C, CD, DC	41.2100%	39,807	39,807
FMU S10 Total							96,596	96,596

Notes:

The AAC is allocated across 3 compartments (Red Earth, Otter and Cadotte) as follows:

CTQS100004 West Fraser Mills Ltd. (Slave Lake)

Red Earth (13,769 m³), Otter (33,771 m³) and Cadotte (9,249 m³). Total = 56,789 m³.

CTQS100005 (Boucher Bros. Lumber Ltd.)

Red Earth (9,651 m³), Otter (23,672 m³) and Cadotte (6,484 m³). Total = 39,807 m³.

The FMU S10 AAC will be further reduced to 81,764 m³ effective May 1, 2026.

Secondary coniferous volume is not chargeable as production to the FMU S10 AAC. 58.7900% of secondary coniferous volume produced is attributed to CTQS100004 and 41.2100% is attributed to CTQS100005.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1		S10 West Fraser Mills Ltd.		Disposition: CTQS100004					
		Quadrant Start 1-May-13		Quadrant End 30-Apr-18					
	Quadrant Segment	Quadrant Segment	Years in Quadrant	Primary Approved	Primary Quadrant	Total Quadrant	Notes		
	Start Date	End Date	Segment	Harvest Level (m ³ /yr)	Contribution (m ³)	Contribution (m ³)			
1	1-May-13	30-Apr-16	3.0000000000	64,524	193,572.0000	193,572.0000	Effective May 1, 2013 to April 30, 2016, volume for this certificate will be sourced from these compartments as follows: Red Earth = 13,769 m ³ , Otter = 39,843 m ³ and Cadotte = 10,912 m ³ .		
2	01-May-16	30-Apr-18	2.0000000000	56,789	113,578.0000	113,578.0000	Effective May 1, 2016, volume for this certificate will be sourced from these compartments as follows: Red Earth = 13,769 m ³ , Otter = 33,771 m ³ and Cadotte = 9,249 m ³ .		
Quadrant Reconciliation Volume (m ³)					0	0			
QAAC Total					307,150	307,150			
3.2		S10 Boucher Bros. Lumber Ltd.		Disposition: CTQS100005					
		Quadrant Start 1-May-14		Quadrant End 30-Apr-19					
	Quadrant Segment	Quadrant Segment	Years in Quadrant	Primary Approved	Primary Quadrant	Total Quadrant	Notes		
	Start Date	End Date	Segment	Harvest Level (m ³ /yr)	Contribution (m ³)	Contribution (m ³)			
1	1-May-14	30-Apr-16	2.0000000000	45,228	90,456.0000	90,456.0000	Effective May 1, 2014 to April 30, 2016, volume for this certificate will be sourced from these compartments as follows: Red Earth = 9,651 m ³ , Otter = 27,928 m ³ and Cadotte = 7,649 m ³ .		
2	01-May-16	30-Apr-19	3.0000000000	39,807	119,421.0000	119,421.0000	Effective May 1, 2016, volume for this certificate will be sourced from these compartments as follows: Red Earth = 9,651 m ³ , Otter = 23,672 m ³ and Cadotte = 6,484 m ³ .		
Quadrant Reconciliation Volume (m ³)					0	0			
QAAC Total					209,877	209,877			

Table 4. FMU S10 Coniferous Chargeability

Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	Coniferous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
All dispositions and FMUs (unless otherwise noted)			All	None	None	3	Structure retention will be a representative combination of single stems, clumps and islands targeting 3% of the harvested area within each compartment. Area targets are as follows: 0-10 ha = 0%, 10-20 ha = 1%, 20-50 ha = 3% and 50+ ha = 5%.	N/A	N/A	All industrial salvage is AAC chargeable.

Table 5. FMU S10 Coniferous Utilization

Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS				Operational Utilization				
					Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Coniferous Harvest Level (m ³ /yr) based on Operational Utilization
All dispositions, FMUs and AAC types (unless otherwise noted)			All	C, CD, DC	10	15	N/A	30	N/A	N/A	N/A	N/A	N/A

Table 6. Historical Deciduous Allocations and Annual Allowable Cuts

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m ³) 15+/10/30 cm	Secondary Deciduous AAC (m ³) 15+/10/30 cm	Total Approved AAC (m ³)
S10	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD, DC D	122,995	57,265	180,260
FMU S10 Total						122,995	57,265	180,260

Notes:

Effective date: May 1, 2011

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m ³) 15+ /10/30 cm	Secondary Deciduous AAC (m ³) 15+ /10/30 cm	Total Approved AAC (m ³)
S10	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD, DC D	122,995	57,265	180,260
FMU S10 Total						122,995	57,265	180,260

Notes:

The AAC is allocated across 3 compartments (Red Earth, Otter and Cadotte) as follows:

Unallocated

Primary Deciduous

2011-2026 = Red Earth (45,705 m³), Otter (36,760 m³) and Cadotte (40,530 m³) = 122,995 m³

Secondary Deciduous

2011-2026 = Red Earth (11,593 m³), Otter (35,637 m³) and Cadotte (10,035 m³) = 57,265 m³

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1	S10	Unallocated	Disposition: Unallocated							
		Quadrant Start	1-May-11	Quadrant End	30-Apr-16					
		Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m³/yr)	Secondary Approved Harvest Level (m³/yr)	Primary Quadrant Contribution (m³)	Secondary Quadrant Contribution (m³)	Total Quadrant Contribution (m³)	Notes
	1	1-May-11	30-Apr-16	5.0000000000	122,995	57,265	614,975.0000	286,325.0000	901,300.0000	Primary Deciduous volume will be sourced from these compartments as follows: Red Earth = 45,705 m ³ , Otter = 36,760 m ³ and Cadotte = 40,530 m ³ . Secondary Deciduous volume will be sourced from these compartments as follows: Red Earth = 11,593 m ³ , Otter = 35,637 m ³ and Cadotte = 10,035 m ³ .
		Quadrant Reconciliation Volume (m ³)					0	0	0	
		QAAC Total					614,975	286,325	901,300	

Table 9. FMU S10 Deciduous Chargeability

Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	Deciduous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
All dispositions and FMUs (unless otherwise noted)			All	None	None	3	Structure retention will be a representative combination of single stems, clumps and islands targeting 3% of the harvested area within each compartment. Area targets are as follows: 0-10 ha = 0%, 10-20 ha = 1%, 20-50 ha = 3% and 50+ ha = 5%.	N/A	N/A	All industrial salvage is AAC chargeable.

Table 10. FMU S10 Deciduous Utilization
 Effective Date: May 1, 2016

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS				Operational Utilization				
					Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Deciduous Harvest Level (m ³ /yr) based on Operational Utilization
All dispositions, FMUs and AAC Types (unless otherwise noted)			All	C, CD, DC, D	10	15	N/A	30	N/A	N/A	N/A	N/A	N/A

Table 11. Fiber Transfer Agreements within FMU S10

Source Company	Source Dispositon Number	Transfer Type	Company Directed To	Species Group	Volume (m ³ /yr)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A