

Land and Forest Division

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RE: W6 TIMBER SUPPLY INVESTIGATION

The timber operators in FMU W6 agreed to a terms of reference in July 2001 to jointly develop a single timber supply analysis for FMU W6. The quota holders engaged The Forestry Corp to examine the analysis submitted by the FMA holder (Weyerhaeuser) and found that it was essentially sound but that they wished to explore additional scenarios to address the reduction in conifer timber supply. The results of their analysis has been reported on November 29, 2001, in a document titled "Timber Supply and Forest Management Recommendations for FMU W06" (the report). In a written response regarding this report, submitted to the Director, Forest Management Branch, Weyerhaeuser indicated they found "...the scenarios presented as unworkable.". There has been little progress on the review/approval of the Detailed Forest Management Plan submitted by Weyerhaeuser, and, it is unlikely that agreement amongst the operators in FMU W06 is possible. The terms of reference stated that if agreement "...proves to be impossible..." the Department (Sustainable Resource Development) was to decide on acceptable harvest levels by March 1, 2002 by "...reverting to the approved plan or direct Weyerhaeuser to make changes to the plan.". Since the plan is not approved, the deadline of March 1, 2002 has passed, and agreement is highly unlikely, it is necessary for the Department to provide guidance on the strategies proposed and the next actions required on this issue.

Sustainability

The primary concern of the Department is to select a sustainable timber supply, based on realistic assumptions and credible data, that supports sustainable forest management. There are no prescribed standards to select the trade-offs between the environmental, economic and social objectives of sustainable forest management but rather it is up to the Department to make these decisions. The disagreement that is evident regarding the strategies proposed by the quota holders will primarily be resolved through arbitration by the Department. The decisions in this letter will be in effect unless (or until) they are modified in an approved DFMP or EFM plan.

Discussion of Strategies

Since agreement appears unlikely, planning based on combined landbase strategies are not plausible and only divided landbase strategies (e.g. run 476) can be considered. The following comments are based on the alternative strategies listed in the Executive Summary of the report:

- 1.) Post –harvest conversion to conifer types and associated limits on cover group retention – the extent of conversion proposed (Table 7) is acceptable, but, there are concerns about the ability to implement this strategy. The cost will be significant and there is no convincing record of being successful at converting mixedwood stands to pure conifer stands. The strategy is not approved at this time.
- 2.) Reduction in Minimum conifer regenerated harvest age – the strategy proposed is acceptable.
- 3.) Increased conifer yields – it is not acceptable to use the increased yield assumptions at this time. The practise of using yield assumptions that are not supported by localized data derived from the Forest Management Unit in question is not endorsed by the Department. Even though the proposed yields do not appear to be unrealistic, the issue for the Department is the endorsement of an undesirable practice that is perpetuated by using such yield projections. The Enhanced Forest Management Technical Protocols (available on the Department’s website) contain the requirements needed to receive approval to use such yield projections and the guiding principles for a mechanism for allocation of any resulting AAC uplift.
- 4.) Surge cut – a surge cut is not often considered given the normal even flow strategy (an even-flow of timber for two rotations), however, the Department has employed a surge cut for twenty years in setting the 1999 interim cut. This was done in recognition of the desire to mitigate the impact of declining timber supplies given that the effect on the long term timber supply is small (deemed to be an appropriate and fair trade-off of environmental, economic and social objectives). A 10% surge (i.e. 10% of the long term AAC) for 20 years is acceptable.
- 5.) Spreading out carry-over volume - the level of agreement needed to execute this idea is unlikely since changes in quota certificate percentages would be required.

Companies with carry-over volume are to use it in the current quadrant as described by Departmental policy.

- 6.) Reconfiguration of growing stock requirement and controlling incidental volume fluctuations – these are acceptable strategies.

Next Steps

Work will proceed on the review and approval of the Weyerhaeuser DFMP. The Department is hereby advising Weyerhaeuser to incorporate the strategies in points 2, 4, 5 & 6 above.

With respect to points 1 and 3 above, the quota holders can proceed to develop an enhanced forest management program following the EFM Technical Protocols for consideration by the Department. The Department will require rigorous adherence to the principles described in the EFM Technical Protocols. Section 4.2 of the EFM Technical protocols addresses circumstances where there is no agreement which allows the Director of the Forest Management Branch to select a preferred forest management strategy. Note that in this case the preferred strategy must:

- 1.) Be limited to conifer landbase.
- 2.) Maintain incidental deciduous supplies at or above current approved levels.
- 3.) Meet the biodiversity objectives in the Weyerhaeuser DFMP.

Incidental Conifer Allocation

The issue of the allocation of the incidental conifer volumes to the FMA holder deserves mention at this point. The quota holders have repeatedly asked that this allocation be re-considered, however, the Department considers this allocation to be final and will not re-allocate this volume unless there is agreement from the FMA holder.

Conclusion

The currently approved AAC's (the values established by the Department in 1999) will remain in effect until they are replaced with AAC's from an approved DFMP or EFM program. If such approvals are not in place by the end of the current quadrant (April 30, 2006), these values will be reduced by 10% until such time that they are replaced with values from approved plans.

Sincerely,

D. (Doug) A. Sklar
Executive Director
Forest Management Branch

cc: Howard Gray