Alberta Agriculture and Forestry

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Memorandum

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

Our File Reference: 06298-PO5

Your File Reference:

To: Trevor Lamabe
Forestry Area Manager
Peace River Forest Area
Bag 900-37
3rd Floor Provincial Building
9621 – 96 Avenue
Peace River, Alberta T8S 1T4

Date: January 20, 2016

Subject: **APPROVAL – WHITE AREA SUSTAINED YIELD UNIT (FMUs PO5, P22, S26) TIMBER SUPPLY ANALYSIS AND SPATIAL HARVEST SEQUENCE**

I have reviewed the Timber Supply Analysis (TSA) and Spatial Harvest Sequence (SHS) for Forest Management Units (FMU) PO5, P22 and S26 approve it for implementation.

The following applies:

1) The timber supply analysis (TSA) and spatial harvest sequence (SHS) are effective beginning May 1, 2009; harvest updates are effective beginning May 2012. The approved allowable cuts (AAC) are effective beginning May 1, 2015 per attached tables.
2) Effective May 1, 2015, the Daishowa-Marubeni International Ltd. Operating Ground Rules Framework for Renewal (OGR Framework) shall guide forestry operations to effectively implement and monitor the updated TSA and SHS.
3) By March 31, 2016 the Forestry Manager, Peace Wildfire Management Area, shall work with disposition holders and the Darren to refine and update the OGR Framework with regards to retention standards.
4) The Senior Forester Peace Area shall ensure the disposition holders Annual Operating Plans adhere to the Spatial Harvest Sequence (SHS) and monitor variances as per the OGR Framework.
5) Effective May 1, 2015, all merchantable timber harvested in the FMU, salvaged or not, shall be charged to the Annual Allowable Cut (AAC). Timber volumes from land-use dispositions shall be determined using Timber Damage Assessment tables for AAC drain, unless otherwise agreed to by the Senior Manager, Timber Production, Audit and Revenue Section.

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6) By April 30, 2016 Senior Forester, Peace Area, shall work with disposition holders and the Senior Manager, Timber Production, Auditing and Revenue Section to develop and implement a method to identify and report primary and secondary harvested timber volumes.

7) Public and Aboriginal consultation shall be conducted on an on-going bases in accordance with current policy. Documentation of issues raised and actions taken to address each noted issues is required.

Darren Tapp, MBA, MF, RPF

Enclosure (xx)

cc: Derek Bakker, Senior Forester, Peace Forest Area
Robert Popowich, Director, Forest Resource Management Section
Daryl Price, Director, Resource Analysis Section
Doug Schultz, Director, Timber Production, Auditing and Revenue Section
Erica Samis, Director, Forest Health Section
Barry White, Director, Forest Program Management
Gareth Davies, Lead, Forest Resource Management

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+/11/30 cm	Total Approved AAC (m^3)
PO1-Green	1104384 Alberta Ltd.	CTQP510001	Separate Distinct	All-FMU	C, CD, DC	100.0000%	3,723	3,723
	FMU PO1-Green Total						3,723	3,723
PO1-White	Unallocated	No AAC		All-FMU				0
	FMU PO1-White Total						0	0
PO3-Green	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC		1,712	1,712
	FMU PO3-Green Total						1,712	1,712
PO3-White	Community Based Value Added Corp.	CTQP530001	Separate Distinct	All-FMU	C, CD	100.0000%	20,000	20,000
	FMU PO3-White Total						20,000	20,000

Notes:

Effective dates:
PO1-Green - 1998
PO1-White - No AAC
PO3-Green - May 1, 2015
PO3-White - CTQP530001 was created effective May 1, 2006

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2015

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m^3) 15+/11/30 cm	Total Approved AAC (m^3)
P22	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC		1,712	1,712
	FMU P22 Total						1,712	1,712
PO5	Community Based Value Added Corp.	CTQP550001	Separate Distinct	All-FMU	C, CD	76.8344%	20,000	20,000
PO5	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD		6,030	6,030
	FMU PO5 Total						26,030	26,030
S26	1104384 Alberta Ltd.	CTQS260001	Separate Distinct	All-FMU	C, CD, DC	100.0000%	3,723	3,723
	FMU S26 Total						3,723	3,723

Notes:

It is estimated that DTAP550001 will produce 81,958 m3 per year of Secondary Coniferous.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1

PO5	Community Based Value Added Corp.	Disposition:	CTQP550001
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 (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-11	30-Apr-16	5.0000000000	20,000	0	100,000.0000	0.0000	100,000.0000	Disposition is the former CTQP530001 timber quota.
	Quadrant Reconciliation Volume (m^3)					26,573	0	26,573	The approved non-sustainable annual allowable cut reconciliation volume of 26,573 m^3 from the period covering May 1, 2006 to April 30, 2011 cannot be carried forward into the May 1, 2016 to April 30, 2021 quadrant.
	QAAC Total					126,573	0	126,573	

3.2

PO5	Unallocated	Disposition:	Unallocated
Quadrant Start	1-May-15	Quadrant End	30-Apr-16

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-15	30-Apr-16	1.0000000000	6,030	0	6,030.0000	0.0000	6,030.0000	Volume is currently unallocated. As per the CTQP530001 offer letter of June 1, 2011, Agriculture and Forestry will offer CBVAC 'First Right of Refusal' to purchase all of this primary coniferous timber in the FMU PO5 (P55) White Area.
	Quadrant Reconciliation Volume (m^3)					36,180	0	36,180	As per the October 2, 2013 letter, shown is the available May 1, 2009 to April 30, 2015 Unused Uplift Volume (6 years X 6,030m^3 primary coniferous). Due to the approval of the TSA occuring so late in the quadrant, any unused quadrant reconciliation volume will be carried into the May 1, 2016 to April 30, 2021 quadrant, but not into the May 1, 2021 to April 30, 2026 quadrant.
	QAAC Total					42,210	0	42,210	

3.3

P22	CTPP	Disposition:	CTPP
Quadrant Start	1-May-14	Quadrant End	30-Apr-19

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-14	30-Apr-19	5.0000000000	1,712	0	8,560.0000	0.0000	8,560.0000	Volume is for the former PO3 (P53) Green Area.
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					8,560	0	8,560	

3.4

S26	1104384 Alberta Ltd.	Disposition:	CTQS260001
Quadrant Start	1-May-15	Quadrant End	30-Apr-20

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-15	30-Apr-20	5.0000000000	3,723	0	18,615.0000	0.0000	18,615.0000	Disposition is the former CTQP510001 timber quota.
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					18,615	0	18,615	

Table 4. FMU PO5, P22 and S26 Coniferous Chargeability

Effective Date: May 1, 2015

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	N/A	3%	Structure retention is removed from reported volumes	As per Appendix 3 Timber Supply Analysis	Deletions and deferrals do not contribute to the AAC	All industrial salvage volumes are AAC chargeable

Table 5. FMU PO5, P22 and S26 Coniferous Utilization

Effective Date: May 1, 2015

					Utilization used to determine Harvest Level in PFMS				Operational Utilization				
FMU	Company Name	Disposition Number	AAC Type	Cover Group/ Species	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
PO5	All dispositions	CTQP550001	Primary	C,CD	11	15	3.66	30	N/A	N/A	N/A	N/A	N/A
P22	CTPP	CTPP	Primary	C,CD,DC	11	15	3.66	30	N/A	N/A	N/A	N/A	N/A
S26	1104384 Alberta Ltd.	CTQS260001	Primary	C,CD,DC	11	15	3.66	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) See notes for utilization	Secondary Deciduous AAC (m^3) See notes for utilization	Total Approved AAC (m^3)
PO1-Green	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC, D	2,483	2,700	5,183
	FMU PO1-Green Total					2,483	2,700	5,183
PO1-White	Unallocated	No AAC	Separate Distinct	All-FMU				0
	FMU PO1-White Total					0	0	0
PO3-Green	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC, D	6,577	1,200	7,777
	FMU PO3-Green Total					6,577	1,200	7,777
PO3-White	Daishowa-Marubeni International Ltd.	DTAP530001	Separate Distinct	All-FMU	DC, D	125,000		125,000
	FMU PO3-White Total					125,000		125,000

Notes:

Effective dates:
PO1-Green - 1998
PO1-White - No AAC
PO3-Green - May 1, 2003
PO3-White - DTAP530001 was created prior to 2000

Utilization standards:
PO1-Green - 15+/10/30 cm
PO1-White - No AAC
PO3-Green - 15+/11/30 cm
PO3-White - 15+/10/30 cm

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2015

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)
P22	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC, D	6,577	1,200	7,777
	FMU P22 Total					6,577	1,200	7,777
PO5	Daishowa-Marubeni International Ltd.	DTAP550001	Separate Distinct	All-FMU	DC, D	125,000		125,000
PO5	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD, DC, D	64,651	3,777	68,428
	FMU PO5 Total					189,651	3,777	193,428
S26	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC, D	2,483	2,700	5,183
	FMU S26 Total					2,483	2,700	5,183

Notes:

* FMU P22 utilization standard is 15+/11/30 cm

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1

PO5	Dalshowa-Marubeni International Ltd.	Disposition:	DTAP550001
	Quadrant Start: 1-May-14	Quadrant End:	30-Apr-19

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-14	30-Apr-19	5.0000000000	125,000	0	625,000.0000	0.0000	625,000.0000	Disposition is the former DTAP530001 timber quota.
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					625,000	0	625,000	

8.2

PO5	Unallocated	Disposition:	Unallocated
	Quadrant Start: 1-May-15	Quadrant End:	30-Apr-19

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-15	30-Apr-19	4.0000000000	64,651	3,777	258,604.0000	15,108.0000	273,712.0000	
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					258,604	15,108	273,712	

8.3

P22	CTPP	Disposition:	CTPP
	Quadrant Start: 1-May-14	Quadrant End:	30-Apr-19

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-14	30-Apr-19	5.0000000000	6,577	1,200	32,885.0000	6,000.0000	38,885.0000	Volume is for the former PO3 (P53) Geen Area.
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					32,885	6,000	38,885	

8.4

S26	CTPP	Disposition:	CTPP
	Quadrant Start: 1-May-14	Quadrant End:	30-Apr-19

	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m^3/yr)	Secondary Approved Harvest Level (m^3/yr)	Primary Quadrant Contribution (m^3)	Secondary Quadrant Contribution (m^3)	Total Quadrant Contribution (m^3)	Notes
1	1-May-14	30-Apr-19	5.0000000000	2,483	2,700	12,415.0000	13,500.0000	25,915.0000	Volume is for the former PO1 (P51) Green Area.
	Quadrant Reconciliation Volume (m^3)					0	0	0	
	QAAC Total					12,415	13,500	25,915	

Table 9. FMU PO5, P22 and S26 Deciduous Chargeability

Effective Date: May 1, 2015

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	N/A	3%	Structure retention is removed from reported volumes	As per Appendix 3 Timber Supply Analysis document	Deletions and deferrals do not contribute to the AAC	All industrial salvage volumes are AAC chargeable

Table 10. FMU PO5, P22 and S26 Deciduous Utilization

Effective Date: May 1, 2015

					Utilization used to determine Harvest Level in PFMS				Operational Utilization				
FMU	Company Name	Disposition Number	AAC Type	Cover Group/ Species	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
PO5	Daishowa-Marubeni International Ltd.	DTAP550001	All	DC,D	10	15	3.66	30	N/A	N/A	N/A	N/A	N/A
PO5	Unallocated	Unallocated	All	C,CD,DC,D	10	15	3.66	30	N/A	N/A	N/A	N/A	N/A
P22	CTPP	CTPP	All	C,CD,DC,D	11	15	3.66	30	N/A	N/A	N/A	N/A	N/A
S26	CTPP	CTPP	All	C,CD,DC,D	10	15	3.66	30	N/A	N/A	N/A	N/A	N/A