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December 10, 2012

Mr. Dave Cheyne, RPF  
Management Forester  
Alpac Forest Products Incorporated  
P.O. Box 8000  
Boyle, Alberta T0A 0M0

Dear Mr. Cheyne:

**Subject: APPROVAL - ALPAC FOREST PRODUCTS  
INCORPORATED FOREST MANAGEMENT UNIT  
A15 ANNUAL ALLOWABLE CUT TABLES UPDATE**

I am pleased to provide a copy of the timber allocation and Annual Allowable Cut update tables reflecting landbase losses within Forest Management Unit A15 due to 2011 wildfires effective May 1, 2011.

If you have any questions or require further information, please contact Liana Luard, Lead, Forest Planning and Performance Monitoring at (780) 427-0395.

Sincerely,

Robert W. Stokes, RPF  
Senior Manager, Forest Planning

Attachments (11)

c: Andrew Gesner, Forestry Program Manager, Lac La Biche Area  
Bernie Schmitte, Forestry Program Manager, Waterways Area

**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 <sup>3</sup> ) 15+/11/30 cm	Secondary Coniferous AAC (m <sup>3</sup> ) 15+/11/30 cm	Total Approved AAC (m <sup>3</sup> )
A15	<i>Alpac Forest Products Incorporated &amp; Crestbrook Forest Industries Ltd. &amp; MC Forest Investment Incorporated &amp; Kanzaki Paper Canada Inc.</i>	FMA9100029	<i>Separate Distinct</i>	<i>All-FMU</i>	<i>C, CD, DC, D</i>		133,548	139,243	272,791
A15		<i>Local Use</i>	<i>Separate Distinct</i>	<i>All-FMU</i>	<i>C, CD, DC, D</i>		1,349	1,407	2,756
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	All-FMU	C, CD, DC, D		134,897	140,650	275,547
A15	Unallocated	Unallocated	Separate Distinct	Non-FMA	C, CD, DC		6,943		6,943
A15	Northland Forest Products Ltd.	CTQA150001	Separate Distinct	All-FMU	C, CD, DC	53.1700%	212,680		212,680
A15	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC		45,480		45,480
<b>FMU A15 Total</b>							<b>400,000</b>	<b>140,650</b>	<b>540,650</b>

Notes:

Effective date: May 1, 2007

**Table 2. Approved Coniferous Allocations and Annual Allowable Cuts**

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m <sup>3</sup> ) 15+/11/30 cm	Secondary Coniferous AAC (m <sup>3</sup> ) 15+/11/30 cm	Total Approved AAC (m <sup>3</sup> )
A15	<i>Alpac Forest Products Incorporated &amp; Crestbrook Forest Industries Ltd. &amp; MC Forest Investment Incorporated &amp; Kanzaki Paper Canada Inc.</i>	FMA9100029	<i>Separate Distinct</i>	<i>All-FMU</i>	<i>C, CD, DC, D</i>		87,607	119,471	207,078
A15		<i>Local Use</i>	<i>Separate Distinct</i>	<i>All-FMU</i>	<i>C, CD, DC, D</i>		885	1,207	2,092
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	All-FMU	C, CD, DC, D		88,492	120,678	209,170
A15	Unallocated	Unallocated	Separate Distinct	Non-FMA	C, CD, DC		4,555		4,555
A15	Northland Forest Products Ltd.	CTQA150001	Separate Distinct	All-FMU	C, CD, DC	53.1700%	139,518		139,518
A15	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC		29,835		29,835
<b>FMU A15 Total</b>							<b>262,400</b>	<b>120,678</b>	<b>383,078</b>

Notes:

The primary and secondary coniferous annual allowable cuts in FMU A15 (2007 net landbase Mineable Oilsands Area) are reduced 34.4% and 14.2% respectively due to 2011 wildfires.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1	A15	Alpac Forest Products Incorporated & Crestbrook Forest Industries Ltd. & MC Forest Investment Incorporated & Kanzaki Paper Canada Inc.	Disposition: FMA9100029							
		Period Start: 1-Sep-06	Period End: 31-Aug-11							
		Period Segment Start Date	Period Segment End Date	Years in Period Segment	Primary Approved Harvest Level (m <sup>3</sup> /yr)	Secondary Approved Harvest Level (m <sup>3</sup> /yr)	Primary PAC Contribution (m <sup>3</sup> )	Secondary PAC Contribution (m <sup>3</sup> )	Total PAC Contribution (m <sup>3</sup> )	Notes
	1	1-Sep-06	30-Apr-07	0.6630136986	86,089	77,077	57,078.1863	51,103.1068	108,181.2931	November 5, 2008 Approval Table 1 (AACs included in Local Use).
	2	01-May-07	30-Apr-11	4.0000000000	134,897	140,650	539,588.0000	562,600.0000	1,102,188.0000	November 5, 2008 Approval Table 2 (AACs included in Local Use).
	3	01-May-11	31-Aug-11	0.3369863014	88,492	120,678	29,820.5918	40,666.8329	70,487.4247	November 5, 2008 Approval Table 2 (AACs included in Local Use). 34.4% and 14.2% reduction to the primary coniferous and secondary coniferous AACs respectively due to 2011 wildfires.
Periodic Reconciliation Volume (m <sup>3</sup> )							0	0	0	
<b>PAC Total</b>							<b>626,487</b>	<b>654,370</b>	<b>1,280,857</b>	
3.2	A15	Northland Forest Products Ltd.	Disposition: CTQA150001							
		Quadrant Start 1-May-08	Quadrant End 30-Apr-13							
		Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m <sup>3</sup> /yr)	Secondary Approved Harvest Level (m <sup>3</sup> /yr)	Primary Quadrant Contribution (m <sup>3</sup> )	Secondary Quadrant Contribution (m <sup>3</sup> )	Total Quadrant Contribution (m <sup>3</sup> )	Notes
	1	1-May-08	30-Apr-11	3.0000000000	212,680	0	638,040.0000	0.0000	638,040.0000	November 5, 2008 Approval Table 2.
	2	01-May-11	30-Apr-13	2.0000000000	139,518	0	279,036.0000	0.0000	279,036.0000	November 5, 2008 Approval Table 2. 34.4% reduction to the primary coniferous AAC due to 2011 wildfires.
Quadrant Reconciliation Volume (m <sup>3</sup> )							0	0	0	
<b>QAAC Total</b>							<b>917,076</b>	<b>0</b>	<b>917,076</b>	
3.3	A15	CTPP	Disposition: CTPP							
		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 <sup>3</sup> /yr)	Secondary Approved Harvest Level (m <sup>3</sup> /yr)	Primary Quadrant Contribution (m <sup>3</sup> )	Secondary Quadrant Contribution (m <sup>3</sup> )	Total Quadrant Contribution (m <sup>3</sup> )	Notes
	1	1-May-11	30-Apr-16	5.0000000000	29,835	0	149,175.0000	0.0000	149,175.0000	November 5, 2008 Approval Table 2. 34.4% reduction to the primary coniferous AAC due to 2011 wildfires.
Quadrant Reconciliation Volume (m <sup>3</sup> )							0	0	0	
<b>QAAC Total</b>							<b>149,175</b>	<b>0</b>	<b>149,175</b>	

**Table 4. Alpac Forest Products Incorporated FMA Coniferous Chargeability**  
 Effective Date: May 1, 2011

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	<b>Averages within each FMU (except FMU A15):</b> <b>Alpac:</b> 5% for coniferous and 5% for deciduous harvest openings. <b>Quota Holders/MTU:</b> < 24 ha = no specific target. 24-100 ha = (1% coniferous and 5% deciduous). > 100 ha = (5% coniferous and 5% deciduous).	Coniferous structure retention was not accounted for in the AACs for all of the FMUs.	N/A	N/A	All industrial salvage is AAC chargeable.

**Table 5. Alpac Forest Products Incorporated FMA Coniferous Utilization**

Effective Date: May 1, 2011

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 <sup>3</sup> /yr) based on Operational Utilization
All dispositions, FMUs and AAC types (unless otherwise noted)			All	C, CD, DC, D	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 <sup>3</sup> ) 15+/10/30 cm	Secondary Deciduous AAC (m <sup>3</sup> ) 15+/10/30 cm	Total Approved AAC (m <sup>3</sup> )
A15	<i>Alpac Forest Products Incorporated &amp; Crestbrook Forest Industries Ltd. &amp; MC Forest Investment Incorporated &amp; Kanzaki Paper Canada Inc.</i>	<i>FMA9100029</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>519,750</i>	<i>183,495</i>	<i>703,245</i>
A15		<i>Local Use</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>5,250</i>	<i>1,853</i>	<i>7,103</i>
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	525,000	185,348	710,348
<b>FMU A15 Total</b>						<b>525,000</b>	<b>185,348</b>	<b>710,348</b>

Notes:

Effective date: May 1, 2007

**Table 7. Approved Deciduous Allocations and Annual Allowable Cuts**

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m <sup>3</sup> ) 15+/10/30 cm	Secondary Deciduous AAC (m <sup>3</sup> ) 15+/10/30 cm	Total Approved AAC (m <sup>3</sup> )
A15	<i>Alpac Forest Products Incorporated &amp; Crestbrook Forest Industries Ltd. &amp; MC Forest Investment Incorporated &amp; Kanzaki Paper Canada Inc.</i>	FMA9100029	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	445,946	120,372	566,318
A15		<i>Local Use</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	4,504	1,216	5,720
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	450,450	121,588	572,038
<b>FMU A15 Total</b>						<b>450,450</b>	<b>121,588</b>	<b>572,038</b>

Notes:

The primary and secondary deciduous annual allowable cuts in FMU A15 (2007 net landbase Mineable Oilsands Area) are reduced 14.2% and 34.4% respectively due to 2011 wildfires.



Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1	A15	Alpac Forest Products Incorporated & Crestbrook Forest Industries Ltd. & MC Forest Investment Incorporated & Kanzaki Paper Canada Inc.		Disposition: FMA9100029						
		Period Start: 1-Sep-06	Period End: 31-Aug-11							
		<b>Period Segment Start Date</b>	<b>Period Segment End Date</b>	<b>Years in Period Segment</b>	<b>Primary Approved Harvest Level (m<sup>3</sup>/yr)</b>	<b>Secondary Approved Harvest Level (m<sup>3</sup>/yr)</b>	<b>Primary PAC Contribution (m<sup>3</sup>)</b>	<b>Secondary PAC Contribution (m<sup>3</sup>)</b>	<b>Total PAC Contribution (m<sup>3</sup>)</b>	<b>Notes</b>
1		1-Sep-06	30-Apr-07	0.6630136986	394,198	88,666	261,358.6740	58,786.7726	320,145.4466	November 5, 2008 Approval Table 1 (AACs include Local Use).
2		01-May-07	30-Apr-11	4.0000000000	525,000	185,348	2,100,000.0000	741,392.0000	2,841,392.0000	November 5, 2008 Approval Table 2 (AACs include Local Use).
3		01-May-11	31-Aug-11	0.3369863014	450,450	121,588	151,795.4795	40,973.4904	192,768.9699	November 5, 2008 Approval Table 2 (AACs include Local Use). 14.2% and 34.4% reduction to the primary deciduous and secondary deciduous AACs respectively due to 2011 wildfires.
Periodic Reconciliation Volume (m <sup>3</sup> )							0	0	0	
<b>PAC Total</b>							<b>2,513,154</b>	<b>841,152</b>	<b>3,354,306</b>	

**Table 9. Alpac Forest Products Incorporated FMA Deciduous Chargeability**  
 Effective Date: May 1, 2011

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	<u>Averages within each FMU (except FMU A15):</u> 5% for coniferous and 5% for deciduous harvest openings.	Deciduous structure retention is 5% for all FMUs except FMU A15.	N/A	N/A	All industrial salvage is AAC chargeable.

**Table 10. Alpac Forest Products Incorporated FMA Deciduous Utilization**

Effective Date: May 1, 2011

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 <sup>3</sup> /yr) based on Operational Utilization
All dispositions, FMUs and AAC Types (unless otherwise noted)			All	C, CD, DC, D	10	15	3.66	30	N/A	N/A	N/A	N/A	N/A

**Table 11. Fiber Transfer Agreements within the Alpac Forest Products Incorporated FMA Area**

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