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October 11, 2013

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 A14 ANNUAL ALLOWABLE CUT UPDATE TABLES**

I am pleased to provide a copy of the annual allowable cut update tables reflecting landbase losses within Forest Management Unit A14 due to the Fort McMurray Urban Development Sub-Region and Urban Service Area effective September 1, 2013.

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

Sincerely,

Original signed

Robert J. Popowich, RPF
Senior Manager, Forest Resource Management Section

Attachments (11)

c: Wes Nimco, Acting 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 ³) 15+/11/30 cm	Primary Black Spruce Allocation (%)	Primary Black Spruce AAC (m ³) 15+/11/30 cm	Secondary Coniferous AAC (m ³) 15+/11/30 cm	Total Approved AAC (m ³)
A14	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		54,035			33,966	88,001
A14		Local Use	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		546			343	889
A14	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		54,581			34,309	88,890
A14	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC		5,544				5,544
A14	Millar Western Forest Products Ltd.	CTQA140003	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC	52.6700%	91,868	52.6700%	5,189		97,057
A14	Millar Western Forest Products Ltd.	CTQA140004	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC	10.6597%	18,593				18,593
A14	CTPP	CTPP	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC		3,838				3,838
A14	Unallocated	Unallocated	Separate Distinct	All-FMU	Black Spruce				4,664		4,664
FMU A14 Total							174,424		9,853	34,309	218,586

Notes:

Effective date: September 1, 2012

Alpac Forest Products Incorporated allocation of 5,544 m³ is not sequenced and unavailable until an updated Timber Supply Analysis is completed.

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts
Effective Date: May 1, 2013

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15+/11/30 cm	Primary Black Spruce Allocation (%)	Primary Black Spruce AAC (m ³) 15+/11/30 cm	Secondary Coniferous AAC (m ³) 15+/11/30 cm	Total Approved AAC (m ³)
A14	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		52,565			33,966	86,531
A14		Local Use	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		531			343	874
A14	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD Old A1 - deciduous landbase - DC, D A14 excluding old A1 coniferous landbase - C, CD, DC A14 excluding old A1 deciduous landbase - D		53,096			34,309	87,405
A14	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC		5,393				5,393
A14	Millar Western Forest Products Ltd.	CTQA140003	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC	52.6700%	89,370	52.6700%	5,048		94,418
A14	Millar Western Forest Products Ltd.	CTQA140004	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC	10.6597%	18,087				18,087
A14	CTPP	CTPP	Separate Distinct	All-FMU	Old A1 - coniferous landbase - C, CD A14 excluding old A1 coniferous landbase - C, CD, DC		3,734				3,734
A14	Unallocated	Unallocated	Separate Distinct	All-FMU	Black Spruce				4,537		4,537
FMU A14 Total							169,680		9,585	34,309	213,574

Notes:

The primary coniferous annual allowable cut for FMU A14 is reduced 2.72% due to the Fort McMurray Urban Development Sub-Region and Urban Service Area.

Alpac Forest Products Incorporated allocation of 5,393 m³ is not sequenced and unavailable until an updated Timber Supply Analysis is completed.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1		A14 Alpac Forest Products Incorporated		Disposition: FMA9100029							
Period Start:		1-Sep-11		Period End: 30-Apr-16							
Period Segment	Period Segment Start Date	Period Segment End Date	Years in Period Segment	Primary Approved Harvest Level (m ³ /yr)	Primary Black Spruce Approved Harvest Level (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary PAC Contribution (m ³)	Primary Black Spruce PAC Contribution (m ³)	Secondary PAC Contribution (m ³)	Total PAC Contribution (m ³)	Notes
1	1-Sep-11	31-Aug-12	1.0000000000	92,385	0	34,309	92,385.0000	0.0000	34,309.0000	126,694.0000	
2	01-Sep-12	30-Apr-13	0.6630136986	54,581	0	34,309	36,187.9507	0.0000	22,747.3370	58,935.2877	
3	01-May-13	30-Apr-16	3.0000000000	53,096	0	34,309	159,288.0000	0.0000	102,927.0000	262,215.0000	
Periodic Reconciliation Volume (m ³)							0	0	0	0	
PAC Total							287,861	0	159,983	447,844	

3.2		A14 Millar Western Forest Products Ltd.		Disposition: CTQA140003							
Quadrant Start		1-May-11		Quadrant End: 30-Apr-16							
Quadrant Segment	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m ³ /yr)	Primary Black Spruce Approved Harvest Level (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary Quadrant Contribution (m ³)	Primary Black Spruce Quadrant Contribution (m ³)	Secondary Quadrant Contribution (m ³)	Total Quadrant Contribution (m ³)	Notes
1	1-May-11	31-Aug-12	1.3369863014	115,988	6,552	0	155,074.3671	8,759.9342	0.0000	163,834.3013	
2	01-Sep-12	30-Apr-13	0.6630136986	91,868	5,189	0	60,909.7425	3,440.3781	0.0000	64,350.1206	
3	01-May-13	30-Apr-16	3.0000000000	89,370	5,048	0	268,110.0000	15,144.0000	0.0000	283,254.0000	
Quadrant Reconciliation Volume (m ³)							0	0	0	0	
QAAC Total							484,094	27,344	0	511,438	

3.3		A14 Millar Western Forest Products Ltd.		Disposition: CTQA140004							
Quadrant Start		1-Sep-12		Quadrant End: 30-Apr-16							
Quadrant Segment	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m ³ /yr)	Primary Black Spruce Approved Harvest Level (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary Quadrant Contribution (m ³)	Primary Black Spruce Quadrant Contribution (m ³)	Secondary Quadrant Contribution (m ³)	Total Quadrant Contribution (m ³)	Notes
1	1-Sep-12	30-Apr-13	0.6630136986	18,593	0	0	12,327.4137	0.0000	0.0000	12,327.4137	
2	01-May-13	30-Apr-16	3.0000000000	18,087	0	0	54,261.0000	0.0000	0.0000	54,261.0000	
Quadrant Reconciliation Volume (m ³)							0	0	0	0	
QAAC Total							66,588	0	0	66,588	

3.4	A14	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 (m³/yr)	Primary Black Spruce Approved Harvest Level (m³/yr)	Secondary Approved Harvest Level (m³/yr)	Primary Quadrant Contribution (m³)	Primary Black Spruce Quadrant Contribution (m³)	Secondary Quadrant Contribution (m³)	Total Quadrant Contribution (m³)	Notes
1	1-May-11	31-Aug-12	1.3369863014	4,845	0	0	6,477.6986	0.0000	0.0000	6,477.6986	
2	01-Sep-12	30-Apr-13	0.6630136986	3,838	0	0	2,544.6466	0.0000	0.0000	2,544.6466	
3	01-May-13	30-Apr-16	3.0000000000	3,734	0	0	11,202.0000	0.0000	0.0000	11,202.0000	
Quadrant Reconciliation Volume (m ³)							0	0	0	0	
QAAC Total							20,224	0	0	20,224	

3.5	A14	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)	Primary Black Spruce Approved Harvest Level (m³/yr)	Secondary Approved Harvest Level (m³/yr)	Primary Quadrant Contribution (m³)	Primary Black Spruce Quadrant Contribution (m³)	Secondary Quadrant Contribution (m³)	Total Quadrant Contribution (m³)	Notes
1	1-May-11	31-Aug-12	1.3369863014	0	5,888	0	0.0000	7,872.1753	0.0000	7,872.1753	
2	01-Sep-12	30-Apr-13	0.6630136986	0	4,664	0	0.0000	3,092.2959	0.0000	3,092.2959	
3	01-May-13	30-Apr-16	3.0000000000	0	4,537	0	0.0000	13,611.0000	0.0000	13,611.0000	
Quadrant Reconciliation Volume (m ³)							0	0	0	0	
QAAC Total							0	24,575	0	24,575	

Table 4. Alpac Forest Products Incorporated FMA Coniferous Chargeability
 Effective Date: May 1, 2013

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	Averages within each FMU (except FMU A15): Alpac: 5% for coniferous and 5% for deciduous harvest openings. Quota Holders/MTU: < 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, 2013

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, 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 ³) 15+/10/30 cm	Secondary Deciduous AAC (m ³) 15+/10/30 cm	Total Approved AAC (m ³)
A14	<i>Alpac Forest Products Incorporated</i>	<i>FMA9100029</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>125,654</i>	<i>38,330</i>	<i>163,984</i>
A14		<i>Local Use</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>1,269</i>	<i>387</i>	<i>1,656</i>
A14	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	126,923	38,717	165,640
FMU A14 Total						126,923	38,717	165,640

Notes:

Effective date: September 1, 2012

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2013

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)
A14	<i>Alpac Forest Products Incorporated</i>	<i>FMA9100029</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>125,654</i>	<i>37,287</i>	<i>162,941</i>
A14		<i>Local Use</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	<i>1,269</i>	<i>377</i>	<i>1,646</i>
A14	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	126,923	37,664	164,587
FMU A14 Total						126,923	37,664	164,587

Notes:

The secondary deciduous annual allowable cut for FMU A14 is reduced 2.72% due to the Fort McMurray Urban Development Sub-Region and Urban Service Area.

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1	A14	Alpac Forest Products Incorporated	Disposition: FMA9100029							
		Period Start:	1-Sep-11	Period End:	30-Apr-16					
		Period Segment Start Date	Period Segment End Date	Years in Period Segment	Primary Approved Harvest Level (m³/yr)	Secondary Approved Harvest Level (m³/yr)	Primary PAC Contribution (m³)	Secondary PAC Contribution (m³)	Total PAC Contribution (m³)	Notes
1		1-Sep-11	31-Aug-12	1.0000000000	126,923	48,882	126,923.0000	48,882.0000	175,805.0000	
2		01-Sep-12	30-Apr-13	0.6630136986	126,923	38,717	84,151.6877	25,669.9014	109,821.5891	
3		01-May-13	30-Apr-16	3.0000000000	126,923	37,664	380,769.0000	112,992.0000	493,761.0000	
Periodic Reconciliation Volume (m ³)							0	0	0	
PAC Total							591,844	187,544	779,388	

Table 9. Alpac Forest Products Incorporated FMA Deciduous Chargeability
 Effective Date: May 1, 2013

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, 2013

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	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

Source Company	Source Dispositon Number	Transfer Type	Company Directed To	Species Group	Volume (m³/yr)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A