

File: 06286-F02-04

November 14, 2014

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

Dear Mr. Cheyne:

Subject: APPROVAL - FOREST MANAGEMENT UNIT A15 ANNUAL ALLOWABLE CUT UPDATE

I am pleased to provide a copy of the annual allowable cut (AAC) tables for Forest Management Unit A15 reflecting AACs for inside and outside the Mineable Oil Sands Area¹.

The AACs are effective May 1, 2014.

All requirements from the Alpac Forest Products Incorporated January 16, 2006 approved Forest Management Plan and associated Northeast Operating Ground Rules continue to apply.

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

Yours truly,

Original signed

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

Attachments (11)

cc: Dan Lux, Executive Director, Forest Industry Development Branch
Bill Black, Approvals Manager, Lower Athabasca Region (Lac La Biche)

¹ When the Alpac Forest Products Incorporated Forest Management Plan (Approved January 16, 2006) was prepared, this area was called the Mineable Oil Sands Area. In 2009, the Energy Resources Conservation Board, now known as the Alberta Energy Regulator, expanded the boundary and it was renamed the Surface Mineable Area (SMA). The updated SMA will be used in the Alpac Forest Products Incorporated Transitional Forest Management Plan to be submitted by May 1, 2015.

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	Secondary Coniferous AAC (m ³) 15+/11/30 cm	Total Approved AAC (m ³)
A15	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D		87,607	94,155	181,762
A15		Local Use	Separate Distinct	FMA-Only	C, CD, DC, D		885	951	1,836
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D		88,492	95,106	183,598
A15	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	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
FMU A15 Total							262,400	95,106	357,506

Notes:

Effective dates:

May 1, 2011 - Primary coniferous and secondary deciduous (see December 10, 2012 Approval).

September 1, 2011 - Primary deciduous and secondary coniferous (see January 25, 2013 Approval).

September 1, 2011 - 4,555 m³/year was allocated to Alpac Forest Products Incorporated, but not sequenced and is unavailable until an updated timber supply analysis is completed (see January 25, 2013 Approval).

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2014

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15+/11/30 cm	Secondary Coniferous AAC (m ³) 15+/11/30 cm	Total Approved AAC (m ³)
A15	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D		135,082	140,534	275,616
A15		Local Use	Separate Distinct	FMA-Only	C, CD, DC, D		1,364	1,420	2,784
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D		136,446	141,954	278,400
A15	Northland Forest Products Ltd.	CTQA150001	Separate Distinct	All-FMU	C, CD, DC	53.1700%	204,593		204,593
A15	CTPP	CTPP	Separate Distinct	All-FMU	C, CD, DC		43,751		43,751
FMU A15 Total							384,790	141,954	526,744

Notes:

The coniferous annual allowable cut is allocated across Forest Management Unit A15 as follows:

MOSA ¹	Alpac Forest Products Incorporated		Northland Forest Products Ltd.		CTPP		Total	
	Primary Coniferous (m ³)	Secondary Coniferous (m ³)	Primary Coniferous (m ³)	Secondary Coniferous (m ³)	Primary Coniferous (m ³)	Secondary Coniferous (m ³)	Primary Coniferous (m ³)	Secondary Coniferous (m ³)
Inside	93,047	95,106	139,518	0	29,835	0	262,400	95,106
Outside	43,399	46,848	65,075	0	13,916	0	122,390	46,848
Totals	136,446	141,954	204,593	0	43,751	0	384,790	141,954

¹ MOSA - Mineable Oilsands Area per the January 16, 2006 Approved Forest Management Plan.

² Alpac Forest Products Incorporated (Al-Pac) primary coniferous allocation inside the MOSA area includes 4,555 m³ from the pre-FMA renewal 'donut holes' that is now allocated to Al-Pac effective September 1, 2011, but it is non-sequenced and will remain unavailable until an updated timber supply analysis is completed.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1		A15 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 (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary PAC Contribution (m ³)	Secondary PAC Contribution (m ³)	Total PAC Contribution (m ³)	Notes	
1	1-Sep-11	30-Apr-14	2.6630136986	88,492	95,106	235,655.4082	253,268.5808	488,923.9890	The Al-Pac primary coniferous allocation inside the MOSA includes 4,555 m ³ from the pre-FMA renewal 'donut holes' that is now allocated to Al-Pac effective September 1, 2011, but it is non-sequenced and will remain unavailable until an updated timber supply analysis is completed. This 4,555 m ³ is not included in the September 1, 2011 to April 30, 2016 volumes shown in this table.
2	01-May-14	30-Apr-16	2.0000000000	131,891	141,954	263,782.0000	283,908.0000	547,690.0000	Volume for the May 1, 2014 to April 30, 2016 period is the combined total of volumes inside and outside the MOSA. See Table 2 for a detailed breakdown of the volume allocation in FMU A15.
Periodic Reconciliation Volume (m ³)					0	0	0		
PAC Total					499,437	537,177	1,036,614		
3.2		A15 Northland Forest Products Ltd.		Disposition: CTQA150001					
Quadrant Start		1-May-13		Quadrant End		30-Apr-18			
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-13	30-Apr-14	1.0000000000	139,518	0	139,518.0000	0.0000	139,518.0000	
2	01-May-14	30-Apr-18	4.0000000000	204,593	0	818,372.0000	0.0000	818,372.0000	Volume for the May 1, 2014 to April 30, 2018 period is the combined total of volumes inside and outside the MOSA. See Table 2 for a detailed breakdown of the volume allocation in FMU A15.
Quadrant Reconciliation Volume (m ³)					0	0	0		
QAAC Total					957,890	0	957,890		
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 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-14	3.0000000000	29,835	0	89,505.0000	0.0000	89,505.0000	
2	01-May-14	30-Apr-16	2.0000000000	43,751	0	87,502.0000	0.0000	87,502.0000	Volume for the May 1, 2014 to April 30, 2016 period is the combined total of volumes inside and outside the MOSA. See Table 2 for a detailed breakdown of the volume allocation in FMU A15.
Quadrant Reconciliation Volume (m ³)					0	0	0		
QAAC Total					177,007	0	177,007		

Table 4. FMU A15 Coniferous Chargeability

Effective Date: May 1, 2014

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	<p>Averages within each FMU (except inside MOSA in 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).</p>	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. FMU A15 Coniferous Utilization

Effective Date: May 1, 2014

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)
A15	<i>Alpac Forest Products Incorporated</i>	<i>FMA9100029</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	351,450	120,372	471,822
A15		<i>Local Use</i>	<i>Separate Distinct</i>	<i>FMA-Only</i>	<i>C, CD, DC, D</i>	3,550	1,216	4,766
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	355,000	121,588	476,588
FMU A15 Total						355,000	121,588	476,588

Notes:

Effective dates:

May 1, 2011 - Primary coniferous and secondary deciduous (see December 10, 2012 Approval).

September 1, 2011 - Primary deciduous and secondary coniferous (see January 25, 2013 Approval).

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2014

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)
A15	Alpac Forest Products Incorporated	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	469,292	244,841	714,133
A15		Local Use	Separate Distinct	FMA-Only	C, CD, DC, D	4,740	2,473	7,213
A15	FMA AAC Subtotal	FMA9100029	Separate Distinct	FMA-Only	C, CD, DC, D	474,032	247,314	721,346
FMU A15 Total						474,032	247,314	721,346

Notes:

The deciduous annual allowable cut is allocated across Forest Management Unit A15 as follows:

MOSA ¹	Alpac Forest Products Incorporated	
	Primary Deciduous (m ³)	Secondary Deciduous (m ³)
Inside	355,000	121,588
Outside	119,032	125,726
Totals	474,032	247,314

¹ MOSA - Mineable Oilsands Area per the January 16, 2006 Approved Forest Management Plan.

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1	A15	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 (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary PAC Contribution (m ³)	Secondary PAC Contribution (m ³)	Total PAC Contribution (m ³)	Notes
1		1-Sep-11	30-Apr-14	2.6630136986	355,000	121,588	945,369.8630	323,790.5096	1,269,160.3726	
2		01-May-14	30-Apr-16	2.0000000000	474,032	247,314	948,064.0000	494,628.0000	1,442,692.0000	Volume for the May 1, 2014 to April 30, 2016 period is the combined total of volumes inside and outside the MOSA. See Table 7 for a detailed breakdown of the volume allocation in FMU A15.
Periodic Reconciliation Volume (m ³)							0	0	0	
PAC Total							1,893,434	818,418	2,711,852	

Table 9. FMU A15 Deciduous Chargeability

Effective Date: May 1, 2014

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

Table 10. FMU A15 Deciduous Utilization

Effective Date: May 1, 2014

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)					10	15	3.66	30	N/A	N/A	N/A	N/A	N/A

Table 11. Fiber Transfer Agreements within FMU A15

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