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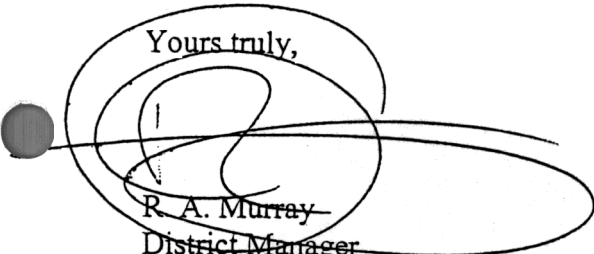
Woodlot Licensees
Forest Licensees
Community Forest Licensees

Dear Sir or Madam:

Please find attached the Lakes Forest District Procedure for issuing endemic or catastrophic cutting permits. As well, the procedure for calculating the cut control position of licensees as a result of the new cutting permit issuance procedures is included with this package.

This procedure is effective August 24, 2001. If you have any questions please contact John Illes at the Lakes Forest Service.

Yours truly,


R. A. Murray
District Manager
Lakes Forest District



Attachment: Catastrophic and Endemic Cutting Permit Issuance Procedures

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Ministry of
Forests

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LAKES FOREST DISTRICT PROCEDURES CATASTOPHIC AND ENDEMIC PERMITS

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The average amount of Pine and Spruce dry sawlogs that have been scaled over the last six years have averaged between 4.11% and 5.47% (depending on licensee) of the total pine and spruce volume of grade code blank, 3 and 4 scaled for the 1995 to 2000 cut control year inclusive. A threshold of 5.5% was decided as an endemic credit and the point at which cutting permits would be issued or renewed as a catastrophic permit.

When a permit is classified and how the decision is made:

When the total percentage of affected spruce and pine (regardless of if the tree is now dry) is estimated at 5.5% of the stand or greater, the permit will be issued as a catastrophic permit. When a licensee requests that a cutting permit marked as endemic be extended, the district manager will estimate the amount of affected spruce and pine in order to decide if the cutting permit should be changed to a catastrophic permit upon extension. Affected trees can be those attacked by insects, disease or affected by fire or a blow down event.

How cut control calculations will be made:

When the cut control calculation is made the district will add up the volume of grade code blank and grade code 4 for all permits. The district will then add to this all volume of grade code 3 for permits marked as catastrophic. The district will then subtract from this total all balsam volume of catastrophic permits marked as grade code 3. The district will then subtract the sum of the lesser of the volume of spruce and pine on each catastrophic permit marked as grade code 3 and 5.5% of the spruce and pine marked as either grade code blank, grade code 3 or grade code 4.

This is equivalent to an endemic credit of 5.5% of the spruce and pine (grade code blank, 3, and 4) and 100% of the balsam grade code 3.

Background:

Stands classified as endemic have a rate of natural mortality that results from normal populations of insect or disease that inflict average losses over the long term for the locality or region. These volumes were not included in the timber inventories and do not contribute to the AAC calculations.

Stands classified as catastrophic have a rate of natural mortality above the determined norm (the endemic losses) for the locality or region. Their damage results from fire, windfall, insects or disease. These volumes were included in the timber inventories and contributed to the AAC calculations. It is assumed that the dead and dry timber in catastrophic stands was green timber at the time of yield analysis.

We must recognize that stands classified as catastrophic contain a component of endemic losses. As endemic losses are not chargeable to AAC and catastrophic losses are, administration of catastrophic stands is more complicated. Guidance was provided in

Timber Harvesting Branch (now RTEB) memoranda of November 8, 1990 and March 13, 1991.

The November 8, 1990 memo provided a simple method of stand classification as catastrophic or endemic and stated an intent to apply a predetermined percentage factor to account for endemic volumes in catastrophic stands, and an intent to apply the factor to the total volume subject to cut control charges.

The March 13, 1991 memo clarified that for "endemic" cutting authorities, none of the grade 3 and 5 material is charged to cut control, that there is no single reference that can be used to derive the endemic factor and recommended a 7-step procedure. Significant among them is that the endemic factor be determined considering historic scale information, information on residue, inventory and cruise and local knowledge. The factor would be expressed as a percentage approved by the district manager and incorporated in the cutting authority.

The Prince George Region currently has posted a policy based on granting an "endemic credit" to catastrophic cutting permits. They conclude that the catastrophic grade 3 is equal to the residue surveyed grade 3 + scaled grade 3 – endemic grade 3. The policy suggests that the district manager can determine the endemic level of grade 3 through general knowledge of the area and through historic scaling and residue information specific to the TSA. The policy goes on to state: "The cutting authority should only be designated catastrophic if there is a higher incidence of grade 3 volumes within the stand, compared to the usual stands within a similar area.

To assess the usual incidence of grade 3 volume scaled by each licensee I compared the grade 3 volume billed in the 1995 to 2000 cut control years (a total of six years) to the volume billed for grade code blank and grade 4. Two comparisons were made: The first including balsam and second excluding balsam.

Forest Licensee					
GRADE	A16821	A16823	A16824	A16825	A16826
BI Grade code blank	4196.7	231607.8	6555.1	27062.3	92058.3
BI Grade code 3	351.7	43138.5	1366.8	5713.8	9361.9
BI Grade code 4	93.4	20343.5	658.8	2154.4	7362.4
PI Grade code blank	134936.9	1349078	230610.8	550825.7	1437598
PI Grade code 3	7870.2	87057.7	11322.3	23755.7	81597.9
PI Grade code 4	9175.3	71004.3	14438.6	16901.8	133086.5
Sx Grade code blank	28621.6	591582.5	62740.5	151547.9	377948
Sx Grade code 3	1150.7	30342.9	2380.9	7138.1	18167
Sx Grade code 4	1435.2	17523.9	3405.6	3146.5	13986.9
Grade code blank and grade code 4	178459.1	2281140	318409.4	751638.6	2062040.1
<i>This is the total that would be billed if all permits were marked endemic</i>					
Grade code 3	<u>9372.6</u>	<u>160539.1</u>	<u>15070</u>	<u>36607.6</u>	<u>109126.8</u>
Grade code blank, 3 & 4	187831.7	2441679.1	333479.4	788246.2	2171166.9
<i>This is the total that would be billed if all permits were marked catastrophic</i>					
Grade 3 %	4.99%	6.57%	4.52%	4.64%	5.03%
Grade code blank & 4 excluding BI	174169	2029189	311195.5	722421.9	1962619.4
Grade code 3 excluding BI	<u>9020.9</u>	<u>117400.6</u>	<u>13703.2</u>	<u>30893.8</u>	<u>99764.9</u>
Grade code blank, 3 & 4 excluding BI	183189.9	2146589	324898.7	753315.7	2062384.3
Grade 3 % no BI	4.92%	5.47%	4.22%	4.10%	4.84%

Field observation has confirmed that balsam has faced only endemic losses over the last six years. This analysis suggests that the amount of endemic losses for balsam characterized by the amount of grade 3 scaled for this species is significant. Because of the high proportion of balsam grade 3 scaled in endemic conditions and the fact that there are not currently any factors that would increase losses in this species to catastrophic levels, the amount of grade 3 balsam will be considered as an endemic credit for cut control purposes.

The endemic level of grade 3 for spruce and pine ranged from 4.10% to 5.47%. Given the need for licensees to operate in all parts of the district in order to capture trees infested by bark beetles, it is appropriate that one endemic credit figure be established for the district. This will also simplify the calculation of cut control figures. I have set the endemic credit level at 5.5% for these two species in order to capture the endemic level of grade 3 that is scaled in all parts of the district and for all licensees. All permits that are estimated to have an incidence of disease, beetles, or abiotic factors of 5.5% or greater upon application or extension will be classified as a catastrophic permit.