CONFIDENTIAL

Note: *NOT FOR USE UNTIL AFTER THE AAC DETERMINATION HAS BEEN RELEASED*. The following questions and answers are for internal use only. They have been prepared to help ministry staff respond to media or public queries about the allowable annual cut determination.

Tree Farm Licence 48 AAC Determination

1. What is the new AAC for Tree Farm Licence (TFL) 48?

- The new allowable annual cut (AAC) effective October 15, 2015 is 1 550 000 cubic metres for five years and 871 000 cubic metres for the five years after that. This includes 100 000 cubic metres specified under Section 8(5)(a) of the *Forest Act* as attributable to deciduous and coniferous trees in deciduous-leading stands. The remaining AAC is to be focused on salvaging dead trees from mountain pine beetle affected pine stands.
- This AAC will remain in effect until a new AAC is determined, which must take place within 10 years of this determination.

2. What was the AAC prior to this determination?

- The previous AAC determination effective in 2007, was 900 000 cubic metres to help address salvage harvesting of lodgepole pine-leading stands that were, or were highly susceptible to being, attacked by the mountain pine beetle. The AAC included 100 000 cubic metres attributable to deciduous and coniferous trees in deciduous-leading stands under Section 8(5)(a) of the *Forest Act*, and the balance to coniferous and deciduous trees within coniferous-leading stands.

3. How does the new AAC compare to the AAC prior to this determination?

- The new AAC is 72 percent higher than the previous AAC determined in 2007. This increase is necessary to salvage dead trees from the MPB epidemic before they deteriorate and are no longer suitable for sawlogs.

4. What was the base case used in the determination of the new AAC?

- The initial harvest level in the base case was 1 731 000 cubic metres per year, which was maintained for five years before declining by 55 percent to 838 000 cubic metres per year. After an additional five years, the harvest level declined by a further three percent to 779 000 cubic metres per year for the second decade.
- The short-term harvest was focussed on the salvage of MPB-affected stands.
- After 50 years of the planning horizon, the harvest level decreased to 763 000 cubic metres per year, before gradually increasing to a long-term harvest level of 808 000 cubic metres per year.

- Deciduous volume contributes 100 000 cubic metres per year to the total harvest forecast in the base case over the 250-year planning horizon.

5. Why is the AAC different than the base case harvest forecasts?

- The licensee proposed an initial harvest level of 1 550 000 cubic metres per year, or 10 percent lower than that of the base case, based on their assessment of current capacity of field operations.
- As well, an additional harvest forecast was provided by the licensee that incorporated the impact of a large fire on the TFL. This forecast demonstrated harvest levels of 1 556 000 cubic metres and 871 000 cubic metres for the first and second five-year periods, respectively, were attainable.

6. For how long will the new AAC remain in effect?

- By law, the chief forester must determine the AAC for each TSA and TFL at least once every 10 years.
- For this determination the chief forester set two AAC levels: one for the first five-year period, and one for the second five-year period.

ECONOMIC ISSUES

7. Will the new AAC have an effect on local employment?

- We cannot speculate on business decisions that the licensees might make. The utilization of the AAC including employment levels and types of forestry products depends on licensees' business and operational plans.
- Harvest levels over the past decade have been below the AAC. With the recovery in lumber markets and return to higher than normal lumber prices, harvest levels increased to above the AAC for 2012 and 2013, and were close to the AAC in 2014.

8. **Isn't the AAC dependent on the shelf life of the dead pine? What if the pine degrades slower or faster than projected?**

- The commercial viability of dead pine in the future will depend on the product being made and also on environmental conditions in the MPB-impacted stands which could speed or slow degradation.

- The timber supply analysis demonstrated that if the short-term harvest of the dead pine is not maximized in the first 10 years of the forecast period, the mid-term timber supply is reduced by three to four percent compared to what is shown in the base case.

- If the pine degrades slower than projected in the analysis, the licensee indicates it will continue to salvage beyond the assumed shelf life.

9. What about deciduous trees on TFL 48?

- Within the AAC 100 000 cubic metres are attributable to deciduous and coniferous trees in deciduous-leading stands under Section 8(5)(a) of the *Forest Act*.

- Although not much harvesting of deciduous has occurred in recent years, several mills utilizing deciduous fibre are in the area and it is anticipated that this volume will help support these mills.

- Pulpwood Agreement 13 overlaps 63 percent of the TFL area, and the Pulpwood Agreement holder is expected to harvest deciduous trees under this agreement.

ENVIRONMENTAL ISSUES

10. Does the AAC decision account for wildlife habitat?

- Yes. The determination considered constraints on timber supply for wildlife management. The determination also considered other factors which contribute to wildlife habitat such as riparian reserves and old growth management areas.
- Legally established wildlife habit areas for caribou, including calving and rutting areas, and ungulate winter ranges for northern caribou, mountain goat and bighorn sheep were accounted for in the base case analysis.

11. Did the chief forester consider the need to protect old growth in the area of TFL 48?

- Yes. TFL 48 is subject to the Provincial Non-Spatial Old Growth Order. Consistent with this order, the licensee commits to meeting old growth management targets by landscape unit / biogeoclimatic variant.
- In the analysis, targets were applied to ensure a portion of older forest is retained in each type of ecosystem and each biogeoclimatic ecosystem classification.

12. Does this AAC decision account for legal objectives established in the Dawson Creek Land and Resource Management Plan approved by government in 1999, including the Dunlevy Creek Special Management Zone which overlaps with the TFL?

- Yes. All legal objectives established through the issuance of orders under the Government Action Regulations (GAR) of the *Forest and Range Practices Act* (FRPA) and the Land Use Objectives Regulation (LUOR) of the *Land Act* were considered.
- The timber supply analysis accounted for the objectives for the extent and timing of harvest in the Dunlevy Creek Special Management Zone.

FIRST NATIONS CONSIDERATIONS

13. Were First Nations consulted about this AAC determination?

- Yes. The chief forester is aware of the Crown's obligation to consult with First Nations on administrative decisions, such as the Tree Farm Licence 48 AAC determination.
- The Crown has a legal obligation to consult with First Nations regarding their asserted rights and title (aboriginal interests, including treaty rights) in a manner proportional to the strength of their aboriginal interests and the degree to which the decision may impact these interests.
- All consultation requirements established in agreements between government and First Nations or as guided by the *Updated Procedures for Meeting Legal Obligations When Consulting First Nations* were met in this timber supply review.
- Opportunities for First Nations input included provision of the data package, the timber supply analysis and management plan, as well as correspondence and meeting with district staff when requested. All First Nations' input was carefully considered in this timber supply review process.
- The Blueberry River First Nations were consulted later than the other four First Nations, in August/September 2015, after the information was received that their asserted traditional territory boundary now overlaps with TFL 48.

14. Which First Nations have traditional territories that overlap Tree Farm Licence 48?

- West Moberly First Nations
- Saulteau First Nations
- Halfway River First Nation
- McLeod Lake Indian Band
- Blueberry River First Nations

- The West Moberly First Nations, Saulteau First Nations, Halfway River First Nation, Blueberry River First Nations and McLeod Lake Indian Band are signatories to Treaty 8.

15. Was the Tsilhqot'in decision considered?

- Yes.
- The Tsilhqot'inh decision provided further clarification on the nature of and tests for aboriginal title.
- All of the First Nations with territory in TFL 48 are signatories to Treaty 8, in which title to the land was ceded to the Crown. Consequently the Tsilhqot'in decision is not relevant to the TFL 48 AAC determination.

16. Were cultural heritage values considered?

- Yes. Known cultural heritage sites were excluded from the timber harvesting land base in the analysis.
- Cultural heritage resources are protected under the *Heritage Conservation Act* and the *Forest and Range Practices Act*, and also through operational strategies.

17. Were First Nations concerns about the effects of harvesting on wildlife habitat considered?

- The West Moberly First Nations expressed concern about the unresolved discussion about the West Moberly's "Klinse-za caribou action plan" as compared to the Province's "Implementation Plan for the Ongoing Management of South Peace Northern Caribou (Rangifer tarandus caribou pop. 15) in British Columbia". In addition they raised concerns over the impact of cumulative effects on the landscape.
- The Chief Forester considered this input in her determination.
- The existing land base exclusions for other forest resource values, including riparian areas also contribute to wildlife habitat.

18. Were cumulative effects considered?

- Yes. When making an AAC determination, the chief forester is provided with a base case that incorporates all of government's current objectives to

manage the values that are present on the management unit. The inventory and land base information used in the base case reflect all industrial activities and non-timber resource uses on the land base of the management unit and the forest cover inventory is updated for disturbances such as timber harvesting and fires. In the modelled harvest projections the current values and objectives are managed and protected.

- The base case represents the current condition of the land base relative to cumulative effects.

ALLOWABLE ANNUAL CUT PROCESS

19. Who makes the decision about the level of the AAC?

- As an independent decision-maker, the chief forester sets the AAC for timber supply areas and tree farm licences as per Section 8 of the *Forest Act*.
- After the chief forester sets the AAC, the Minister of Forests, Lands and Natural Resource Operations apportions the allowable annual cut to various licences and programs.

20. Does the chief forester set AACs independently?

- Yes. The chief forester is a statutory decision maker and as such must not be fettered or allow herself to be fettered by anyone when making an AAC determination, including the minister or senior ministry staff.
- The minister is informed of the chief forester's AAC determination only after it has been finalized.

21. What information is reviewed when considering an AAC?

- The chief forester reviews and considers a substantial amount of information, including technical analysis reports, public and First Nations input, requirements for biodiversity, habitat important for wildlife, sustainability, and the Crown's social and economic objectives, along with other factors outlined in Section 8 of the *Forest Act.*
- Some of these factors can be readily measured and analyzed - others cannot. Ultimately, an AAC determination is an independent professional judgment. The chief forester is not dictated to by the Minister of Forests, Lands and Natural Resource Operations nor any other person or agency when determining an AAC.
- The best available information is always used. Data such as that for the forest inventory are updated periodically and new information is verified before being utilized in the timber supply review.

22. Was there public consultation?

- Yes. In addition to First Nations, the general public was consulted throughout the timber supply review process, including after the release of the data package and timber supply analysis by the licensee.

- The chief forester fully considered the input received before determining a new AAC for Tree Farm Licence 48.

23. Does the chief forester consider social and economic criteria?

- Yes. Section 8 of the *Forest Act* requires that the chief forester consider the "…economic and social objectives of the government, as expressed by the Minister, for the area, for the general region and for British Columbia."
- The Minister's July 4, 2006 and October 27, 2010 letters are a formal expression of the government's current economic and social objectives and the chief forester considered these objectives when the new AAC for Tree Farm Licence 48 was determined.

24. Are private lands included in this review?

- There is no private land in Tree Farm Licence 48.

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