

SUMMARY OF PROPOSED CHANGES TO SFM INDICATORS

Indicator Number	Indicator Description	Proposed change	Reason
1.2.1.3.1	Abundance of residual stand structure	<ul style="list-style-type: none"> • Standing tree survey of representative blocks- not all blocks • In preparation of cutover records- verify patches & that minimum number of standing trees present 	<ul style="list-style-type: none"> • Operationally, not all blocks can be surveyed, but all blocks will be reviewed during preparation of cutover records
1.4.1.1.1	100% of first year AOP blocks to have PHFI survey	<ul style="list-style-type: none"> • PHFI survey done before harvest • Will still be minor exceptions but only if MC approves permit without PHFI • 95% of blocks prior to harvest 	<ul style="list-style-type: none"> • Weather & changing markets conditions do not always allow for PHFI to be done before AOP development. Sometimes these factors do not even allow time for the PHFI survey prior to work permit submission. The changes to the wording allow for these exceptions • OFI from internal audit : to add variances
1.4.2.1.1	No harvesting in recognized ASI	<ul style="list-style-type: none"> • No logging in protected areas • Will show harvest blocks in ASI & harvest if approved by MC 	<ul style="list-style-type: none"> • Resulting from wood supply issues, MC willing to permit some harvesting in ASIs
3.1.1.1.2	No non-compliance - rutting	<ul style="list-style-type: none"> • Add reference to Company's soil disturbance guidelines 	<ul style="list-style-type: none"> • Promoting company's pro-active approach • OFI from 2005 surveillance audit
3.1.1.1.5	Coarse Woody debris surveys	<ul style="list-style-type: none"> • Starting in 2006- target of 15 blocks per year; add season of harvest as sampling stratification 	<ul style="list-style-type: none"> • Setting a target number of blocks • Season of harvest influences level of coarse woody debris • OFI from 2005 surveillance audit
5.1.5.1.1	No harvesting in recognized ASI	<ul style="list-style-type: none"> • No logging in protected areas • Will show harvest blocks in ASI & harvest if approved by MC 	<ul style="list-style-type: none"> • Resulting from wood supply issues, MC willing to permit some harvesting in ASIs
6.3.1.1.1	Public satisfaction	<ul style="list-style-type: none"> • Change from annual to bi-annual survey • Remove reference to facilitator • Change committee name from SFM to FRAC 	<ul style="list-style-type: none"> • It seemed redundant to survey every year since completing a survey after the initial process and a survey one year after the SFM plan has been in place • Cost of annual survey • Facilitator no longer part of process • Committee agreed to be called FRAC

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 1.0	Conservation of Biological Diversity
CSA SFM Element 1.2	Species Diversity Conserve species diversity by ensuring that habitats for the native species found in the DFA are maintained through time
FML Area No. 2 DFA Value 1.2.1	Continued existence of all animal and plant species native to the DFA within the historical natural range of variability
Objective 1.2.1.3	Plan and implement forest operations incorporating general wildlife habitat considerations

Indicator 1.2.1.3.1	Target 1.2.1.3.1 (A)
Abundance of residual stand structure	At least 5 standing trees (alive and dead) per hectare retained across harvested areas on a forest section basis Acceptable Variance: The measurement of the indicator will be on a forest section basis weighted by block size estimates with some variance expected at the cutblock and operating area level dependent upon considerations such as insect or disease management requirements

Management Strategy

As documented in the FMPOPs, the Company recognizes the importance of maintaining residual stand structure as a mechanism to assist in mitigation for general wildlife habitat requirements. Through the application of the FMPOPs and ongoing awareness and training of contractors the Company will take steps to retain at least 5 standing trees (including live and dead trees) per hectare on harvested areas.

Retention of stand structure in terms of standing trees will include both hardwood and softwood species, retained both as single stems and in patches across cutblocks. The target of 5 standing trees per hectare will be applied broadly across all cutblocks with exceptions being made to meet specific management objectives such as control of dwarf mistletoe infestations or other insect/disease/wildlife or other mitigation requirements.

Forecast, Expected Response or Outcome

By applying this strategy broadly across all cutblocks and operations with on-going communication with contractors it is expected that retention of standing tree structure will continue to be a component of the overall mitigation strategy of the Company for wildlife and other non-timber values in operating areas.

Implementation

As described in the FMPOPs, the retention of standing tree structure in cutblocks is an ongoing mitigation practice of the Company. As a regular practice of the Company to mitigate wildlife and other values in operating areas, standing tree structure retention targets will be discussed with the contractor at the commencement of operation for each cutblock at the Project Tailgate Meeting (EMS). This review will include any modification to regular practices to accommodate insect and/or disease control or to meet any other specified objectives for the cutblock. Follow-up review with the contractor will occur in conjunction with Operations Inspections in terms of progress being made for the block.

Implementation of this indicator and target will commence in 2004.

Monitoring and Reporting

Monitoring of progress for this indicator will occur in two stages:

- In conjunction with Operations Inspections of contractor cutblocks with documentation on the Operations Inspections Form (EMS). The supervisor will document the estimated number of standing trees per hectare retained in the cutblock; the estimates will be sampled on representative forest types of each forest section and,
- In preparing the cutover records each year the cutover photography will be utilized to determine the number of the patches on all blocks and to verify that the minimum tree retention has been maintained.

Reporting of the indicator will then occur in conjunction with the production of the cutover records annually.

The status of this indicator will be summarized annually in the SFM Report.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 1.0	Conservation of Biological Diversity
CSA SFM Element 1.4	Protected Areas and Sites of Special Biological Significance Respect protected areas identified through government processes. Identify sites of special biological significance within the DFA and implement management strategies appropriate to their long-term maintenance.
FML Area No. 2 DFA Value 1.4.1	Protect unique and important (for biological diversity) features
Objective 1.4.1.1	Plan and implement forestry operations to ensure the protection of unique and important (for biological diversity) features

Indicator 1.4.1.1.1	Target 1.4.1.1.1 (A)
Percentage of harvest blocks subject to Pre-harvest Forest Investigation (PHFI) surveys	95% of harvest blocks will be subject to a PHFI survey prior to commencement of harvest Acceptable Variance: Blocks may be harvested without a PHFI if approved by the IRMT.

Management Strategy

As a general component of the planning process, the Company strives to undertake Pre-harvest Forest Investigation (PHFI) surveys at the planning stage for blocks to be included as first year plan blocks in the AOP each year. This is an ongoing activity that the Company put into place to formalize and document the pre-harvest field data collection that was in place earlier by planning staff. The PHFI conducted for planned first year cutblocks includes the investigation and documentation of information pertaining to unique and important features (including VTE and rare species presence documentation), as well as a number of other characteristics of the block including wildlife habitat, non-timber forest uses and timber values.

The information obtained through the PHFI is utilized by Company planning staff, in conjunction with information obtained from public consultation processes and other sources, to make decisions related to the suitability of including areas for the harvest plan, and for associated mitigation requirements to meet non-timber values.

Where subsequent amendments to the AOP or other circumstances occur that prevent the completion of a PHFI for a block prior to its inclusion in the AOP, the PHFI will be undertaken and the information provided to the IRMT in conjunction with the work permit application for harvest of the cutblock. The planning and approval process for some blocks may not require submission of a PHFI in consultation with the IRMT, and as such, constitute an accepted variance to this target.

The continued implementation of the PHFI survey will assist to ensure the protection of unique and important features in operating areas. The PHFI survey undergoes an annual review with planning staff to identify any ongoing need to make modifications or additions to the program.

Forecast, Expected Response or Outcome

The continuation of the PHFI survey program for blocks to be submitted prior to commencement of harvest is expected to provide the process needed to document the presence of unique and important features in areas being considered for harvesting operations. The ongoing commitment of the Company to remain abreast of the COSEWIC and MESA listed species applicable to the DFA and transfer of this information to the contractor and/or staff conducting

the PHFI, along with appropriate training of PHFI crews will enable the PHFI process to contribute to identification and subsequent protection of these features in the DFA. The situations indicated above as acceptable variations for this indicator will not infringe upon the achievement of the objective to protect unique and important features as all such cases will be discussed in detail with the IRMT with approval received for harvesting of such areas prior to harvest.

Once unique or otherwise important features are identified by the PHFI survey, they are documented on the AOP cutblock information sheet submitted with the AOP or with the work permit application, dependent upon the timing of the PHFI survey, along with an explanation of how the information was utilized in the preparation of the plan/work permit and resulting mitigation. Guidance for treatment of such areas is obtained from both government guidelines, the IRMT and the FMPOPs.

Implementation

The PHFI survey program is an ongoing and principle component of the forest management practices of the Company. Achieving the target of 100% of all blocks being surveyed and documented prior to harvest includes a number of planning and operation programs and practices including:

- Preliminary development of AOP proposals from the previous years AOP, in which the upcoming first year blocks would generally have been indicated as forecasted year 2 or 3 blocks;
- PHFI of all proposed cutblocks prior to inclusion in the AOP as first year proposals (comprising the majority of blocks subsequently anticipated for harvest in that year) by either a contractor or staff crew(s) trained in the requirements of the PHFI which includes awareness and identification of unique and important features such as COSEWIC and MESA listed species;
- PHFI of any additional blocks, not provided in the earlier approved AOP, that are subsequently required for harvesting, prior to submission of the work permit application;
- The PHFI conducted for each block includes identification and documentation of unique and important features for biological diversity as well as other planning information such as presence of non-timber resource use features, pre-harvest forest cover composition, soil and other characteristics required for developing the harvest and access plan and the pre-harvest renewal prescription for each block in the AOP;
- The data from the PHFI is utilized in conjunction with information received through the public consultation processes of the Company as well as government requirements to develop the harvest plan and associated mitigation for identified features to meet the target for this indicator;
- For any other blocks identified for harvest additional to AOP approved operations, that would constitute a variance to this prescribed target, discussions with the IRMT will take place with subsequent IRMT approval prior to harvest; and,
- Mitigation for unique and important features is developed and implemented as per the FMPOPs, government requirements and as outlined in subsequent work permits conditions of approval for operation of the cutblock.

All of the above aspects of the PHFI program, and potential variance processes, are currently in place as the Company has been active in conducting the survey as part of the AOP preparation process on the DFA since 1998.

Reporting on this indicator commenced in 2004.

Monitoring and Reporting

The monitoring of this indicator to ensure that all cutblocks receive a PHFI prior to harvest will be undertaken in two (2) stages.

As part of the AOP preparation and finalization process the AOP plan author will work in conjunction with the Planners to ensure that all proposed first year blocks included in the AOP have been surveyed. The check-off to ensure this will include a review of the compiled Cutblock Information Sheets being submitted in the AOP to ensure that a completed sheet resulting from the PHFI has been included in the AOP for all first year block submissions. This process will occur annually in conjunction with the preparation of the AOP.

At the work permit submission stage each Planner will be responsible to ensure that any additional blocks required for harvest that were not included in the AOP will also receive a PHFI leading to the preparation of a Cutblock Information Sheet for such blocks. The Cutblock Information Sheet will be submitted with the work permit application to the IRMT, and as such a copy will be included on file with the work permit application and the approved work permit.

This process will occur throughout the operating year.

For any blocks that are deemed not to require a PHFI, the work permit application will reflect the circumstances that waive this requirement. Discussion of the waiving of PHFI requirements will occur and such blocks will receive IRMT approval prior to commencement of harvest. Work permit approval will be documented in the file. This process will occur throughout the operating year on an as required basis.

The status of this indicator will be summarized in the SFM Report.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 1.0	Conservation of Biological Diversity
CSA SFM Element 1.4	Protected Areas and Sites of Special Biological Significance Respect protected areas identified through government processes. Identify sites of special biological significance within the DFA and implement management strategies appropriate to their long-term maintenance.
FML Area No. 2 DFA Value 1.4.2	Large areas of forest minimally impacted by humans
Objective 1.4.2.1	Company to participate in the Manitoba Protected Areas and ASIs Initiative led by the Government and respect identified Protected Areas in the DFA

Indicator 1.4.2.1.1	Target 1.4.2.1.1 (A)
Protected Areas and ASIs recognized in forest management plans (FMP and AOP)	No harvesting proposed in recognized Protected Areas Acceptable Variance: No variance in ensuring that harvesting plans are excluded from within recognized Protected Areas is acceptable
	Target 1.4.2.1.1 (B)
	Any harvesting proposed for ASIs to require specific approval of AOP and/or work permits for the proposed harvest area from the IRMT Acceptable Variance: No variance in ensuring that harvesting plans proposed for ASIs receive specific approval of the IRMT is acceptable

Management Strategy

The Province of Manitoba is continuing to move towards the establishment of a series of Protected Areas across the province to contribute towards the goal of conserving biological diversity by protecting representative samples of natural regions represented in the province. At the present time actual Protected Areas have not yet been established under the program for the DFA, however, a series of Areas of Special Interest (ASI) have been established with associated geographical boundaries as interim units for continuing review.

With the preparation of the FMP and the associated Environmental Impact Statement, the Company has acknowledged and continued to participate in this review led by the Government of Manitoba. The boundaries of the ASIs established for the review process by the Province have been identified on AOP maps in recognition of the continuing program and the status of these areas as being under review.

Forecast, Expected Response or Outcome

The ASI areas currently in place for the DFA will continue to be indicated on AOP harvest plan maps as areas requiring particular attention and discussion with the IRMT for consideration of blocks for harvest within such areas while the Province continues to move forward in the finalization of potential Protected Areas from within these areas. Any such harvest proposals from within ASI areas would include completion of a PHFI survey and a Cutblock Information Sheet to provide information on the area to the IRMT for consideration in their decision. Once any area on the DFA has been confirmed and finalized as being changed from FML Area status and Open Provincial Crown Land ownership to a Protected Area status, such areas would be excluded from harvesting proposals.

The recognition of Protected Areas confirmed through the Manitoba Protected Areas initiative will contribute to maintenance of ecosystem values for the DFA by retaining areas within which natural disturbance processes would be the driving force in shaping landscape patterns. By undertaking a documented review process (AOP and subsequent work permit approval) for any harvest proposals from within the current ASIs with the IRMT as part of the harvest planning process the opportunity is maintained for careful consideration of the characteristics of each proposed block area so as to not infringe upon the overall ability of the Province to complete its eventual target for Protected Areas across Manitoba.

Implementation

The implementation of this indicator for respect of recognized Protected Areas is already in place in terms of the Company's commitment to not harvest within such areas once finalized as Protected Areas.

The Company will continue to include the current ASIs on AOP and any future FMP harvest plan maps, and will work closely with the IRMT to document the characteristics of any block areas (PHFI) proposed for harvest from within the ASIs. Harvest of such blocks will only proceed once AOP and/or work permit approval has been received from the IRMT.

Processes for this indicator and target are ongoing at this time.

Reporting for this indicator will commence in 2004.

Monitoring and Reporting

The monitoring of respect of recognized Protected Areas will be undertaken within the harvest cutover record production process. Annual review of cutover records produced from aerial photographs and/or satellite imagery of operating areas on the DFA will enable monitoring and reporting on the status of this indicator.

The monitoring of approvals for harvest of any cutblock proposals from within ASIs will be undertaken within the harvest cutover record production process with cross-reference to the work permit approvals file. Annual review of cutover records and work permit approval records as compared to ASI area boundaries will enable monitoring and reporting on the status of this indicator.

The status of this indicator will be summarized in the SFM Report.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 3.0	Conservation of Soil and Water Resources
CSA SFM Element 3.1	Soil Quality and Quantity Conserve soil resources by maintaining soil quality and quantity
FML Area No. 2 DFA Value 3.1.1	Healthy soils that will sustain forest-related ecosystems
Objective 3.1.1.1	Maintain soil productive ability, extent and variety

Indicator 3.1.1.1.2	Target 3.1.1.1.2
Adherence to work permit conditions and Tolko SOPs guiding Tolko and contractor forestry operations on the DFA including those pertaining to rutting, protection of non-timber values, and for operations adjacent to watercourses including buffers and the handling and storage of fuels, lubricants and herbicides	No major non-compliances with government work permit conditions for Tolko and contractor operations (major non-compliances are those that result in issuing of a “Summary Procedure” or an “Indictment Notification” by MC) Acceptable Variance: No variance from the target of no major non-compliances related to work permit conditions is acceptable. There may be some instances where minor non-compliances may occur and be documented for follow-up action within the EMS or through communication of from MC via the MC Timber Harvest Inspection Report.

Management Strategy

The planning process, including public consultation processes and input on non-timber values, provides the direction for recognition of various non-timber ecosystem values and resource uses. Development of the AOP includes incorporation of the various MC and other government legislation, regulations and guidelines in place to address these values. Public community and resource user consultation within the plan development process assists in providing input on locally important values that may require mitigation and recognition within the follow-up work permit application and approval process. As part of the planning process leading directly to the implementation of operations the AOP and work permit conditions of approval provide the guidance required to address the various non-timber values in place on the DFA.

Through the ongoing implementation of the EMS, the Company will ensure adherence to all work permit conditions and Tolko SOPs in conducting forestry activities on the DFA. Operator awareness and training and direction of all contractor operations by Tolko through the mechanisms provided by the EMS in place for the DFA will ensure that the Company is in control of its activities.

Ongoing liaison with MC and other government departments also assists in meeting targets related to the management of operations to ensure that work permit conditions and Tolko SOPs

are met. Copies of the MC Timber Harvest Inspections are provided to the Company on an ongoing basis to assist in follow-up of operations.

Forecast, Expected Response or Outcome

It is expected that through contractor and operator training and the processes of the EMS including the application of the COR, Project Tailgate Checklist and meeting with contractors, and follow-up via the Operations Inspections with documentation on Operations Inspections Forms, that all operations will conform to the Tolko SOPs and to all work permit conditions set out for each operation.

Implementation

Ensuring that all Tolko and contractor operations on the DFA conform to the Tolko SOPs and to all work permit conditions of approval for operations will occur through the mechanisms of the EMS:

- Contractor and operator awareness and training including the Annual Woodlands Contractors Meeting, Annual Soil Disturbance Awareness Workshop, and the FMPOP Operators Guide provided to all contractors;
- During the COR all contractors are appraised of the Company's expectations of the contractor to adhere to all SOPs and to work permit conditions;
- The Company guidelines for minimizing soil rutting are to be followed by the Contractors
- The specific project, road and cutblock operating expectations related to the SOPs, guidelines and work permit conditions for the respective operation will be reviewed with the contractor at the Project Tailgate Meeting prior to commencement of work in the block;
- Ongoing Operations Inspections and documentation in the Operations Inspection Form to monitor progress by contractors in meeting targets;
- MC Timber Harvest Inspection Reports are copied to the Company to document the findings of government inspections of operations with respect to all legislation and regulations and specifically relating to work permit conditions set out for the operation; and,
- Modifications to operations are made as required as operations proceed related to meeting the requirements of work permit conditions, guidelines and SOPs in response to any anticipated concerns such as rutting or potential concerns for non-timber values (including re-scheduling or shutdown as required).

All of the above processes of the EMS and MC Timber Harvest Inspection process are currently in place.

This indicator and target will commence in 2004.

Monitoring and Reporting

Monitoring of the compliance of Tolko and contractor operations to MC Work Permit conditions and to Tolko SOPs will take place through the EMS Environmental Incidence Reporting process which is in place to address any non-compliances that occur on the DFA.

Should any major non-compliances regarding MC Work Permit conditions occur (those resulting in the issue of a "Summary Procedure" or an "Indictment Notification" from MC to the

Company), such incidences will be reported and addressed within the EMS Environmental Incidence Reporting (EIR) process as a major non-compliance.

Any MC or Company inspection or operational issues with the potential to become or lead to a non-compliance will also be reported and dealt with through the EMS Process Improvement Form (PIF) process with follow-up action to address the concern.

Any major non-compliances, as well as all EMS Process Improvement Form actions that occur on the DFA will be summarized annually in the SFM Report including documentation of any follow-up action taken.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 3.0	Conservation of Soil and Water Resources
CSA SFM Element 3.1	Soil Quality and Quantity Conserve soil resources by maintaining soil quality and quantity
FML Area No. 2 DFA Value 3.1.1	Healthy soils that will sustain forest-related ecosystems
Objective 3.1.1.1	Maintain soil productive ability, extent and variety

Indicator 3.1.1.1.5	Target 3.1.1.1.5
Amount and distribution of coarse woody debris	Implement a research project to assess and document levels of coarse woody debris retention for various cover types, season of harvest and logging systems on the DFA Acceptable Variance: No variance in conducting the research project for the DFA. No targets are set for woody debris levels for the DFA at this time, and as such no variances for coarse woody debris levels are applicable at this time.

Management Strategy

The Company conducts harvesting operations in accordance with the MC Forestry Branch Brush Disposal Policy and the Letter of Record for Variance to MC Forestry Branch Brush Disposal Policy. In recognition of the potential benefits to soil productivity that may be associated with the retention of coarse woody debris across cutover areas the Company will conduct a research project to assess the current state of these practices in compatible forest conditions across Canada and to assess the current levels of coarse woody debris retention in various covertypes under the logging systems employed on the DFA. The findings of this research will be brought forward to the SFM Committee to assess the value of developing a specific indicator and target for woody debris retention in the DFA.

Forecast, Expected Response or Outcome

It is expected that a review of coarse woody debris retention practices across Canada and assessment of levels of debris currently being retained in various covertypes under DFA logging systems will lead to the development of a specific indicator and target for woody debris retention for the DFA should the findings support such action.

At the present time current operating practices will continue to be applied in this regard on the DFA in fulfillment of all work permit conditions as approved by MC.

Implementation

The development and implementation of a research project related to coarse woody debris retention on the DFA will include:

- Review of literature on related research into coarse woody debris retention and results on soil productivity for cover types, season of harvest, logging systems and other conditions compatible to those of the DFA;

- Review of other CSA SFM performance frameworks in place or being developed across Canada for potential sources of “seed ideas” for consideration by the SFM Committee in this regard;
- Develop and apply a coarse woody debris survey (including preparation of a Woody Debris Survey Manual) on the DFA in a variety of cover types, season of harvest and logging systems in place on the DFA to assess current levels of retention;
- Starting in 2006, annually complete coarse woody debris surveys on fifteen blocks
- Review findings of literature review in conjunction with DFA survey findings to compare retention in other areas to that happening on the DFA and to come to conclusions as to the implications for soil productivity on the DFA; and,
- Bring forward the research project findings to the SFM Committee for subsequent deliberations regarding the potential suggestion for a specific indicator and target for coarse woody debris for future application to the DFA.

It is expected that the research project will be concluded and a new indicator and target identified, if appropriate, by 2008.

Monitoring and Reporting

A Summary Report on the status of the research project into coarse woody debris retention for the DFA will be prepared annually.

Progress towards the identification of a specific indicator and target for coarse woody debris for the DFA will be summarized in the SFM Report annually.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 5.0	Multiple Benefits to Society
CSA SFM Element 5.1	Timber and Non-timber Benefits Manage the forest sustainably to produce an acceptable and feasible mix of both timber and non-timber benefits
FML Area No. 2 DFA Value 5.1.5	Large areas of forest minimally impacted by humans
Objective 5.1.5.1	Company to participate in the Manitoba Protected Areas Initiative led by the Government and respect identified Protected Areas in the DFA confirmed through the program

Indicator 5.1.5.1.1	Target 5.1.5.1.1 (A)
Protected Areas recognized in forest management plans (FMP and AOP)	No harvesting proposed in recognized Protected Areas Acceptable Variance: No variance in ensuring that harvesting plans are excluded from within recognized Protected Areas is acceptable
	Target 5.1.5.1.1 (B)
	Any harvesting proposed for ASIs to require specific approval of AOP and/or work permits for the proposed harvest area from the IRMT Acceptable Variance: No variance in ensuring that harvesting plans proposed for ASIs receive specific approval of the IRMT is acceptable

Management Strategy

The Province of Manitoba is continuing to move towards the establishment of a series of Protected Areas across the province to contribute towards the goal of conserving biological diversity by protecting representative samples of natural regions represented in the province. At the present time actual Protected Areas have not yet been established under the program for the DFA, however, a series of Areas of Special Interest (ASI) have been established with associated geographical boundaries as interim units for continuing review.

With the preparation of the FMP and the associated Environmental Impact Statement, the Company has acknowledged and continued to participate in this review led by the Government of Manitoba. The boundaries of the ASIs established for the review process by the Province have been identified on AOP maps in recognition of the continuing program and the status of these areas as being under review.

Forecast, Expected Response or Outcome

The ASI areas currently in place for the DFA will continue to be indicated on AOP harvest plan maps as areas requiring particular attention and discussion with the IRMT for consideration of blocks for harvest within such areas while the Province continues to move forward in the finalization of potential Protected Areas from within these areas. Any such harvest proposals from within ASI areas would include completion of a PHFI survey and a Cutblock Information Sheet to provide information on the area to the IRMT for consideration in their decision. Once any area on the DFA has been confirmed and finalized as being changed from FML Area status and Open Provincial Crown Land ownership to a Protected Area status, such areas would be excluded from harvesting proposals.

The recognition of Protected Areas confirmed through the Manitoba Protected Areas initiative will contribute to maintenance of ecosystem values for the DFA by retaining areas within which natural disturbance processes would be the driving force in shaping landscape patterns. By undertaking a documented review process (AOP and subsequent work permit approval) for any harvest proposals from within the current ASIs with the IRMT as part of the harvest planning process the opportunity is maintained for careful consideration of the characteristics of each proposed block area so as to not infringe upon the overall ability of the Province to complete its eventual target for Protected Areas across Manitoba.

Implementation

The implementation of this indicator for respect of recognized Protected Areas is already in place in terms of the Company's commitment to not harvest within such areas once finalized as Protected Areas.

The Company will continue to include the current ASIs on AOP and any future FMP harvest plan maps, and will work closely with the IRMT to document the characteristics of any block areas (PHFI) proposed for harvest from within the ASIs. Harvest of such blocks will only proceed once AOP and/or work permit approval has been received from the IRMT.

Processes for this indicator and target are ongoing at this time.

Reporting for this indicator will commence in 2004.

Monitoring and Reporting

The monitoring of respect of recognized Protected Areas will be undertaken within the harvest cutover record production process. Annual review of cutover records produced from aerial photographs and/or satellite imagery of operating areas on the DFA will enable monitoring and reporting on the status of this indicator.

The monitoring of approvals for harvest of any cutblock proposals from within ASIs will be undertaken within the harvest cutover record production process with cross-reference to the work permit approvals file. Annual review of cutover records and work permit approval records as compared to ASI area boundaries will enable monitoring and reporting on the status of this indicator.

The status of this indicator will be summarized in the SFM Report.

Management Strategy

The Province of Manitoba is continuing to move towards the establishment of a series of Protected Areas across the province to contribute towards the goal of conserving biological diversity by protecting representative samples of natural regions represented in the province. At the present time actual Protected Areas have not yet been established under the program for the DFA, however, a series of Areas of Special Interest (ASI) have been established with associated geographical boundaries as interim units for continuing review.

With the preparation of the FMP and the associated Environmental Impact Statement, the Company has acknowledged and continued to participate in this review led by the Government of Manitoba. The boundaries of the ASIs established for the review process by the Province have been identified on AOP maps in recognition of the continuing program and the status of these areas as being under review. No harvesting has been proposed within the ASI areas.

Forecast, Expected Response or Outcome

The ASI areas currently in place for the DFA will continue to be indicated on AOP harvest plan maps as areas excluded from consideration for harvest while the Province continues to move forward in the finalization of the status of these areas.

Once any area on the DFA has been confirmed and finalized as being changed from FML Area status and Open Provincial Crown Land ownership to a Protected Area status, such areas would be excluded from harvesting proposals. In the interim, the currently set out ASI areas will continue to be shown on AOP harvest plan maps as areas excluded from harvest.

The recognition of Protected Areas confirmed through the Manitoba Protected Areas initiative will contribute to maintenance of ecosystem values for the DFA by retaining areas within which natural disturbance processes would be the driving force in shaping landscape patterns.

Continued respect of the current ASIs in the harvest planning process will contribute towards this eventual target.

Implementation

The implementation of this indicator for respect of recognized Protected Areas is already in place in terms of the Company's commitment to not harvest within such areas once finalized as Protected Areas. In the interim the Company will continue to include the current ASIs on AOP and any future FMP harvest plan maps and exclude harvest proposals from these areas.

Processes for this indicator and target are ongoing at this time.

Reporting for this indicator will commence in 2004.

Monitoring and Reporting

The monitoring of respect of recognized Protected Areas will be undertaken within the harvest cutover record production process. Annual review of cutover records produced from aerial photographs and/or satellite imagery of operating areas on the DFA will enable monitoring and reporting on the status of this indicator.

The status of this indicator will be summarized in the SFM Report.

SFM Performance Requirements for the FML Area No. 2 DFA

CCFM Criterion 6.0	Accepting Society's Responsibility for Sustainable Development
CSA SFM Element 6.3	Public Participation Demonstrate that the SFM public participation process is designed and functioning to the satisfaction of the participants
FML Area No. 2 DFA Value 6.3.1	Local public satisfaction with the planning process
Objective 6.3.1.1	To obtain local broad public satisfaction with the planning process

Indicator 6.3.1.1.1	Target 6.3.1.1.1 (A)
Degree of satisfaction with the public participation component of the planning process	The majority of the FRAC Committee members responding to the survey indicate being satisfied (or better) with the public participation process of the FRAC Committee Acceptable Variance: No variance is acceptable

Management Strategy

In order to maintain a high level of involvement and interest in the public participation process component of the planning process the Company will facilitate a review of the process with the FRAC Committee bi-annually as part of the overall review of the SFM Planning process. Through this review the Company will request input as to ways and means to maintain the interest of participants and areas requiring improvement. This process is considered to be a part of the overall continual improvement process for planning for the DFA.

Forecast, Expected Response or Outcome

Through assessment of the level of satisfaction in the public participation component of the planning process by the FRAC Committee the Company is better positioned to understand the concerns and interests of the Committee and to then address such concerns. Through the process of adaptive management and continual improvement the Company will then be in a position to make adjustments to the public participation process in conjunction with the input of the Committee to ensure that participants continue to participate in the planning processes for the DFA. It is anticipated that by working closely with the committee to seek ongoing feedback on the satisfaction of the committee and by addressing concerns and issues as they arise, that the satisfaction of the majority of the members will be maintained as satisfied (or better).

Implementation

The Company will continue to support the functioning of the FRAC Committee in its role in support of planning for the DFA. Within the ongoing processes of the Committee the Company will provide feedback to the Committee of the input that it is having in terms of planning for the DFA. The assessment of the degree of satisfaction of the SFM Committee with the public participation component of the planning process is assessed on an ongoing basis with continuing request of participants for input on the process. To more formally assess the degree of satisfaction with the process an independent survey has been designed by a third party and implemented to provide the FRAC Committee with the opportunity to provide input as to their satisfaction with the process and to make suggestions for any improvements that they feel would be suitable. The survey was conducted at the conclusion of the SFM Plan development in order to obtain formal feedback from the Committee and to obtain suggestions for improvement going

forward. The input received will be considered and utilized as appropriate in the future workings of the Committee as the SFM Plan is implemented for the DFA.

As part of the overall assessment of SFM for the DFA the initial survey will be reviewed and updated as required for bi-annual review with the FRAC Committee to assess the ongoing satisfaction of the participants with the process being utilized.

Processes for this indicator and target are currently in place.

Reporting for this indicator will commence in 2004.

Monitoring and Reporting

Monitoring and reporting on the degree of satisfaction with the public participation component of the planning process will occur through the bi-annual application of the updated survey. Input received through the survey will be reported back to the Committee in terms of overall results along with the compilation of suggestions and action plan for moving forward. A summary of the results will be presented bi-annually in the SFM Report.

The status of this indicator will be summarized bi-annually in the SFM Report.