

Tolko Manitoba Sustainable Forest Management Plan

Date: June 4, 2003

Time: 6:30 to 9:00 PM

Place: Tolko Woodlands Office – The Pas

Agenda Topics:

1. Welcome and Introductions (Doug Hunt/Sheldon McLeod)
2. CSA Overview presentation (Doug Hunt)
3. Public Involvement
 - CSA committee (Paul Chapman)
 - Ground Rules (Doug Hunt)
4. Next Step
 - Future Meeting Dates (Doug Hunt)
5. Closing Comments (Sheldon McLeod/Doug Hunt)

Meeting Objectives:

- Describe Forest Certification Process
- Review steps for developing a Sustainable Forest Management Plan
- Outline principles of public involvement.
- Determine level of public interest.

CSA SFM Advisory Committee
Operating Ground Rules - June 4, 2003
Draft for Discussions

Background

Tolko Industries Ltd, Manitoba Solid Wood Division (Tolko Manitoba or the Company) is seeking to develop a Sustainable Forest Management plan (SFM) under Canada's national forest certification standard set by the Canadian Standards Association (CSA). The Company plans to certify to the CSA standard.

Purpose

The purpose of the operating ground rules is to define the goals, tasks, roles and procedures that will guide the development of the Tolko Manitoba Sustainable Forest Management Plan. The SFM Plan will be developed based on the CSA's Sustainable Forest Management Standard CSA-Z809-02 and will be complementary to the Company's 1997 to 2009 Forest Management Plan.

Objectives

The ground rules will attempt to ensure efficiency, simplicity and clarity to foster a smooth process with a clear understanding of potential outcomes and expectations. The terms of the Operating Ground Rules include the following sections:

1. Goals
2. Timelines
3. Communication
4. Resources
5. Roles, responsibilities & obligations
6. Decision-making process
7. Changes to the process
8. Information
9. Additional participation
10. Operating guidelines

1. Goals

The goals of the process are to develop an SFM plan in accordance with the CSA guidelines and develop procedures for monitoring the effectiveness of the SFM plan. The SFM Plan for Tolko Manitoba will comply with all existing legislation and policy and will be consistent with the strategic direction and intent in the Company's 1997 to 2009 FMP.

2. Timelines

The target date for completing the SFM Plan is November 30, 2003. The company will be responsible for producing a schedule of meeting dates to allow the process to reach a successful conclusion.

3. Communication

Agendas and meeting minutes will be prepared for each meeting. This material will be distributed to members of the SFM Advisory Committee, to the executive of the organizations represented on the committee and as requested to other interested members of the public.

4. Resources

SFM Advisory Committee members travelling from outside The Pas to attend meetings will be reimbursed for mileage (rate set by company), and meals/ accommodations (receipts required).

Expenses incurred in the development of this Plan will be the responsibility of the Company.

The Company will provide the meeting facilities and copies of required documentation, including the Z809-02 standard.

5. Roles and Responsibilities

The roles and responsibilities of participants in the process are to assist the Company in developing the SFM Plan by:

- identifying local values that relate to the Canadian Council of Forest Ministers (CCFM) SFM criteria and critical elements.
- developing goals that describe a desired future state or condition for each value.
- selecting indicators to be used to assess progress in meeting goals.

- establishing one or more objectives for each indicator that provide a clear, specific statement of expected results.
- developing procedures for monitoring the effectiveness of the SFM Plan.
- communicating the progress of the committee to their constituents.
- attending meetings or selecting and briefing an alternate to represent them.

Participants will note their primary reason for involvement with the SFM Advisory Committee and their links to the Company or any other concerned organizations.

A facilitator will be employed to assist the SFM Advisory Committee in its work. The role of the facilitator will be to:

- Facilitate/chair the SFM advisory committee meetings.
- Prepare agendas and meeting minutes.
- Prepare a work plan and timetable for the process.
- Assist participants in developing recommendations for the SFM Plan.

6. Decision-making process

Participants in the SFM Plan will aim to reach decisions on the basis of consensus. Consensus is defined as substantial agreement reached by concerned interests. Consensus includes an attempt to remove all objections and implies that although participants may not agree with all aspects of the agreement, they are willing to accept the total package.

In negotiating to reach consensus, participants agree to:

- negotiate in good faith.
- state concerns openly and directly and as interests rather than positions*
- listen carefully, ask questions and educate themselves regarding the interest of others.
- share relevant information.

When consensus is reached, a written record of the agreement will be recorded in the meeting minutes.

If consensus is not achieved, the facilitator will assist the participants in resolving their differences through the application of interest-based negotiation procedures. If consensus is still not achieved, the participants will agree to disagree and the options defined in the negotiation process as well as the underlying reason for dissent will be recorded in the meeting summary. The Company will consider all options in development of the final SFM Plan and will provide a written explanation for decisions taken where consensus was not achieved.

*interest are defined as the needs, wants, fears and concerns that are connected to an issue. Positions are defined as a predetermined solution to a problem without consideration for the interest of others.

7. Changes to the Process

The ground rules for the SFM Plan process may be changed at any time during the process in accordance with the decision making process described in section 6.

8. Information

The SFM Plan will be supported by relevant information including the CSA SFM guidelines and supporting reference documents, examples of other boreal forest based SFM Plans and the Company's 1997 to 2009 Forest Management Plan.

9. Additional participation

Interested groups not associated with the committee may make presentations or take part in discussions if desired. If requested by the committee the Company may arrange for participation by experts to discuss technical issues.

10. Operating Guidelines

The SFM Plan will be developed by Tolko Manitoba based on advice and recommendations provided by the SFM Advisory Committee. The SFM Advisory committee will include a cross-section of participants with varying interests and backgrounds. Participants in the process will:

- contribute to the development of the SFM Plan
- attend meetings on a regular basis
- consider the views of others in developing recommendations.
- aim to reach decisions on the basis of consensus.
- meetings of the SFM Advisory Committee will be open to the general public.

**Summary of Public Meeting
Tolko Industries Ltd. Manitoba Woodlands CSA Certification Initiative
June 4, 2003
Meeting Room, Tolko Woodlands Office
The Pas, Manitoba**

Description

The meeting's purpose was to provide public information on Tolko Manitoba Woodlands' CSA certification initiative, to determine the level of public interest in either participating in or staying informed about the CSA public advisory process, and to outline a timetable for next steps in that process.

24 members of the public, together with Tolko staff and a professional meeting facilitator attended the meeting.

A copy of the attendance list is included as Attachment 1 (attendance June 4'03.doc).

Introductions

Doug Hunt, Divisional Forester with Tolko, welcomed the members of the public, introduced Tolko staff, and introduced the meeting's facilitator, Sheldon McLeod.

Sheldon McLeod asked attendees to introduce themselves. He noted that Doug Hunt would give an overview of the CSA Z809 standard and that Paul Chapman, Silvicultural Forester with Tolko, would talk about ground rules for the CSA public participation process.

Overview of Forest Certification and Ground Rules for Public Advisory Committee

Doug Hunt presented a series of overheads outlining the forest certification process, the advantages of certification, reasons why forest companies worldwide including Tolko are moving in this direction, and the CSA Z809 standard. A copy of this presentation is included as Attachment 2.

Hunt also noted that a range of handouts relating to forest certification and the CSA Z809 standard were available for attendees to take with them.

Paul Chapman noted that CSA certification requires a high standard of public involvement, and presented a series of overheads outlining draft ground rules for

effective operation of the CSA Public Advisory Committee. A copy of this presentation is included as Attachment 3.

Questions and answers relating to these presentations are included with this Summary as Attachment 4.

Wrap-up

Sheldon McLeod asked attendees to indicate their interest in participating as members of the CSA Public Advisory Committee. Twenty indicated they or alternates would be willing to commit to being members of the committee.

Discussion continued to confirm those able to attend the first working meeting of committee June 24-25, 2003 in The Pas, and the logistics of pulling that meeting together. An agenda, sample criterion and examples of forest values will be provided to all committee members before that meeting.

Several stakeholder interests not at the June 4th meeting were identified as necessary to contact before the June 24-25 meeting. These are: sport fishing, lodges owners, outfitters, wild rickers, Swampy Cree Tribal Council, Manitoba Trappers Association, cottage owners, and fishing and wildlife associations. Committee members were also encouraged to approach such parties on a personal basis to invite their participation.

**Questions and Answers Related to Forest Certification
and Ground Rules for CSA Public Advisory Committee
Tolko Industries Ltd. Manitoba Woodlands CSA Certification Initiative
June 4, 2003
Meeting Room, Tolko Woodlands Office
The Pas, Manitoba**

- *How long a process do you envision this to be – 6 months, a year, two years?*

Experience by other Tolko divisions so far indicates from 30 to 40 hours once the committee is formed.

- *Is it a change that Tolko's looking for? What's the motivation?*

Pressures from consumers and environmentalists over the last 20 years have led to major retailers like Home Depot looking to sell only lumber that's been sustainably managed. Certification is one way for a forest company to prove that. It's moved from an environmental point of view to a cost of doing business.

- *When will you start getting CSA input from the group?*

The committee would start as early as the end of this month. One scenario envisions the group meeting for an evening and following day after that in August, September, October and November of this year.

- *With respect to element 6.1, aboriginal treaty rights, would a treaty Indian going into an area to cut firewood need a permit?*

What it tries to say is that the process of developing values, objectives, targets and indicators needs to be respectful of those rights. Also, irrespective of what this process does, it doesn't prejudice in any way rights they already have.

- *As TLE develops, how is this CSA going to relate to private land? How will this affect private land?*

Using Weyerhaeuser as an example, where there are more woodlot owners on the license area than here, the process has just asked woodlot owners to acknowledge that CSA certification is important to the company. Right now we're looking to apply this only to our license area, which is Crown land. At some point we may want private landowners that we buy wood from to be part of this process.

- *How many people do you want on this committee?*

We'd like a good diversity of interests to be represented; anywhere from 10 to 40.

- *Is it voluntary?*

Yes.

- *Some stakeholders are not here tonight. Can they still participate in the process?*

If any interests are missing, they should be invited into the process. It's an open process. It would be best if they were here from the beginning, but if there's a particular issue that people feel is important, there will be opportunities to come and speak to the committee.

- *Can the committee eliminate an element?*

The company has to address all the elements in the standard. The committee could say it's not of interest to them, but the company would have to address it in some way. The company would also be obliged to listen with respect to adding an element.

- *This process is not a single event. For the committee, would it be a one-time 40-hour commitment?*

There will be an ongoing review process once a year once the standard is achieved. Members of the CSA public advisory committee could be involved in that if they chose. Once the initial public advisory process has shut down, members could always join Tolko's Forest Resources Advisory Committee (FRAC) to provide input on Tolko's operations.

- *How does the role of the FRAC relate to this new committee?*

We've invited everyone from the FRAC to sit on this committee. The FRAC will continue on the way it is; individuals from the FRAC will sit on this committee as well.

- *At what point in the process would a Sustainable Forest Management license be issued? Any concerns that this license could be revoked?*

The Sustainable Management Plan has to be completed and then monitored for six months before bringing in an independent auditor to review the system. We hope to do the 3rd party audit in November 2004. With any minor failures we would have to take corrective action. A major failure could mean we lose our certification.

- *Who were the auditors for the ISO audit?*

QMI.

- *Not government?*

No, private.

- *Who audits the auditors?*

The SCC, Standards Council of Canada.

- *Who appoints the SCC? The federal government?*

Yes, it's a Crown corporation.

- *Participating in the committee means we won't be allowed to change existing laws?*

That's right. It's something the company must state up front, with respect to our legal obligations.

- *Will the standard likely change?*

Yes. It will be revisited in 5 to 7 years. If there were a change, it would take about a year to come in place, plus a grace period to move from one to another.

- *I've been on other committees where traditional knowledge was ignored in favour of Western science.*

There are some obligations in the standard that traditional knowledge needs to be respected. This would be addressed in the ground rules.

- *Could I get an electronic copy of these ground rules?*

Yes.

- *Are you looking at certain topics for each meeting? There are certain things where I won't have much to offer.*

It's helpful at each meeting to take one or two criteria and work through all the steps together. That's one of the responsibilities of the facilitator, to structure that process.

- *Some of us won't have been through a process like this. Does it have to be done in order? Could we start with a simpler criterion to give people a feel for the process?*

We could maybe do one or two of the easier ones at the first meeting. We can get advice on that and take it into account.

- *Some of the dates I can't make. Can I get access to the agenda before the meeting and submit something in writing?*

Yes, or you could brief someone to sit at the table for you.

- *Could we also have examples from Pine Falls or Weyerhaeuser to follow?*

Yes, we can do that.

- *There's three of us here from OCN. Should all three of us come? Would there be any problem?*

That's not a problem.