

Sustainable Forest Management Committee
“Ensuring the CSA Standard”

SFM committee meeting September 16, 2009
The Pas Library Annex

The meeting was called to order at 8:45

Paul Chapman informed the committee that Murray Harvey had decided to not continue as chair of the committee. As there was no immediate interest from the members in assuming the role Paul agreed to chair this meeting.

The agenda was circulated and additional items requested, there was a request to add caribou and quota holders to the agenda. It was agreed to add the caribou discussion with the Grass River park agenda and to put the quota holders to the end of the meeting.

Members were asked to say why they were participating and what they were hoping to achieve.

- The FRAC is an education process and provides new perspectives on resource uses
- Can ask questions and raise concerns
- Opportunity for involvement
- Tolko is the best operator of the mill facility to date
- Frustration over government inaction

- Wonders why Murray left the committee
- Begs the question of the value of the FRAC

- Logged all my life across Canada
- Learned over the years about sustainability
- Feels there has been over drilling by exploration companies in Grass River Park

- Wants to know if we will be cutting (due to plant closure) or are we just maintaining a plan in the interim (We will still be cutting for the paper mill until such time as the lumber mill resumes)

- The highway right of way clearing north of Wanless last year was upsetting due to lack of use of the cleared fibre so close to the mill. Has highways/Conservation improved the communication with Tolko as a result? (This year Tolko was informed in advance of some proposed clearing between Snow Lake and Ponton.)

- We need the committee when issues arise
- The company could look at bringing in a specialist as a chair

Doug Hunt gave an update on Tolko operations

- The lumber market is still down with this winter forecast to be the bottom, as a result the saw mill has been closed since January
- Paper markets are pretty good, the inventory is being bought up and the mill has good orders on the books
- The two largest unions have reached new agreements with Tolko and the third union is still negotiating
- The Canadian government response to the US black liquor subsidy

Discussion of possibility of employing some of the laid off lumber mill workers in the paper mill, whether the lumber mill should start up again or if the plant was better off as a paper mill only, alternate uses of wood fibre (find a new use and retool). We talked about First Nations training programs: this year there is

the northern worker training program through UCN and the Ranger program for youth that was piloted through Outland.

Review of minutes from June 8 meeting.

It was requested to change the references to PAG (public advisory group) to FRAC throughout the minutes and change the reference about rattlesnakes to indicate specifically that the member was referring strictly to Tolko as the rattlesnakes.

Other members indicated that the minutes are to be a summary of what was discussed, not a formal transcription, and show what was discussed and record decisions.

Revisions to SFM ground rules

Paul Chapman presented a draft of changes to the committees ground rules, requested at the last meeting, to meet the requirements of the new CSA standard.

Discussion continued about separating the two historical committees although they could possibly meet the same day and have many of the same members.

After some editing and changing the title of First Nations Participation to Aboriginal Participation the ground rules were passed.

Grass River Park/Dickstone Road environmental license.

A copy of the environmental license was distributed to the committee and discussed by Doug Hunt. Discussion points and questions around the appeal process, the timing of construction activities, eventual road decommissioning and access control plans and requirements. Committee was interested in learning about how caribou used the area near the route (suggested that Dale Cross would be one to ask) and if mining exploration would be allowed to access the road (Provincial decision needed before this could be discussed). The Grass River Park area (FMU 60) has been formally removed from the forest management license area by Manitoba. Paul Chapman showed a map of the new FML area, which is the defined forest area for the CSA/SFM plan.

Lee spoke about his participation on the local Provincial Caribou Committee. He feels that committee does not meet the requirements of the committee specified in Manitoba's Conservation and Recovery Strategy for Boreal Woodland Caribou.

FRAC

Paul reviewed the requirements of the Forest Resource Advisory Committee which is specified in Tolko's Environment License. It was agreed that a separate guidance was required for that committee, although in practice the two meetings could be held on the same day for convenience. The objectives of the FRAC were discussed and approved as follows.

The objectives of the FRAC are:

- To provide an opportunity for the Company to learn of the diverse interests, values and concerns of Committee members relating to environmental licensing, forest management planning and operational activities generally in FML area No. 2, and to Tolko Manitoba's activities in particular.
- To provide an opportunity for committee members to comment on environmental licensing, forest management planning and operational activities generally in FML area No. 2, and on those relating to Tolko Manitoba in particular.

It is intended that the FRAC will meet at least four times annually.

FRAC meetings will be organized and held as may be determined.

The two resulting committees will be:

Sustainable Forest Management Committee with the specific mission of ensuring the CSA standard Forest Resource Advisory Committee to provide general two way communication on environmental, operational and forest management planning activities.

Hal Peterson attended part of the afternoon session to learn about the plans for the Dickstone Road and to provide his viewpoint as an outfitter in the area with extensive history. Paul provided a copy of the road license and discussed some of the relevant points, particularly related to access control and crossing the Grass River. He is seeing contractors (Tolko or mining) hauling boats and fishing. Suggested that Tolko should lay a few charges of people trespassing up there as there seems to be no deterrent to using the road. Hal presented the committee with some of the history of conservation efforts done by lodge owners in the area and indicated what the effects of increased public access were in terms of poaching, vandalism and the value of a wilderness experience for lodge clients. Members asked questions about caribou in the area and use of roads. Hal explained that he thought the caribou gravitated away from roads when they were more frequently used but when there was little traffic they would often cross or follow the road (based on seeing tracks). With less activity up on the Chisel he is seeing more caribou sign this year.

Review of draft CSA annual report.

Paul led this review. The 2008 annual report is still in the draft stage, the company wants to inform the committee status of the indicators at this time, with emphasis on reviewing indicators that will not have the target met so that a corrective action plan can be developed and shown in the final report.

The executive summary and fact sheet summary table was provided and discussed before reviewing the indicators that were not meeting targets.

1.2.1.3.1 Abundance of residual stand structure.

Currently the company has not completed enough post harvest block assessments to fulfill this indicator. In discussion it was suggested that the number of blocks done to satisfy this indicator is excessive. The committee made two recommendations to the company in order to complete the data collection for this indicator.

1. using aerial photos determine if individual trees can be identified to confirm the previous surveys on blocks that were completed this past year, and if so use this technique to fill the back log data requirement.
2. complete the remaining surveys by scheduling the surveys to coincide with other work being done in the next year such as pile burning, planting or PHFI.

The committee recommended that the required data collection, or a satisfactory progress report, be submitted within one year. Corrective action should be taken if any contractors have failed to live up to the terms of the contract where they were to do this survey.

Going forward the company plans to include in logging contracts the requirement for the contractor to have his employees conduct this survey during operations. This will allow the operator to get immediate feedback on the number of stems/ha being left so that corrective action can be taken in the event that stems/ha were low. The financial penalty of not filling the contract requirement should assist in compliance.

1.3.1.1.1 Percentage of areas planted with stock from the same of approved government seed zone

Discussion centered around how to prevent a re-occurrence of this failure. It was noted by the company that there had been a prior violation in the past that had resulted in corrective action and improvements by the company and contractors. Several recommendations were offered by the company and more were provided by the committee.

1. Color code the boxes to make the seed zones stick out
2. Specify appropriate staff who will be required to brief planters daily on what color the boxes have to show.
3. There should be a financial disincentive for violation.
4. The contractor should produce a written policy on seed zones, train staff to it, get sign off from appropriate staff and post it on the camp bulletin boards

5.3.2.1.1 Cost per cubic metre of delivered wood

This indicator relies on an independent cost survey produced by Price Waterhouse Coopers. The company had been reporting its' financial performance on delivered log cost against this survey. Recently the mills with comparable operations in eastern Canada that the company were comparing against have shut down, leaving nothing for the company to rank against. It was pointed out that the fact that the site still had an operating mill when all the other comparable operations were closed for economic reasons did indicate that we had competitive wood costs.

The committee recommended that the company extrapolate the data from past PWC surveys to determine a proxy for last years' industry benchmark costs. Possible strategies include building a model from past surveys or taking the last years' benchmark and applying an industry specific adjustment factor.

6.4.1.1.1 Training and awareness opportunities for contractors on the DFA

The target that was not met here was that we would ensure any contractor who did not attend the annual contractor training meeting would review the summary report and be briefed by a Tolko representative. Although the summary reports were sent to the 9 contractors who were unable to attend the meeting there was no documentation that they have been briefed by a Tolko representative. In order to prevent this from happening again the company proposed to add to the indicator that if a logging contractor failed to attend the training meeting his CORE would automatically be expired and he would not be able to work for Tolko until a new CORE was completed. The CORE form will be changed to require review of the meeting package with the contractor if he did not attend the meeting. This should provide an automatic documentation that it was completed.

Environmental incidents, 2008

The only incident was a fuel spill that occurred on the Okaw. The committee reviewed the report. Neither the size of the spill or the volume of soil contaminated was noted on the summary. Comment was that the spill was small, fixable and that many things went right after the initial mistake: there was a spill kit, corrective action was taken, the SOP was followed. Question was asked, where is the accountability for the contractor? Has the employees' attitude improved if it was a cause of this incident?

6.3.1.1.1 Degree of satisfaction with the public participation component of the planning process.

Although the company met the target for this indicator it is not pleased of the low response rate to the survey. The committee considered that the previous survey was complicated and time consuming and was likely disregarded for that reason. Suggestions from the committee included:

- Offer an incentive for returning a completed survey
- Produce a short, easy to complete survey
- Offer a survey that could be completed on line
- Consider a survey only of the active members of the committee, there is a large mailing list who got the survey but didn't respond weighting the response rate downward.

4.1.2.1.1 percentage of wood hauled by truck versus train

Due to the inability of the railroad to deliver wood at past levels (related to track maintenance and other issues) we will shortly be unable to meet this indicator. The committee discussed the option of trying to get a contractor to run a train just for the wood. There is a second target to address the value of reducing the use of fossil fuels (anti idling awareness) but the committee thought that this indicator should probably be replaced at the revision of the SFM plan coming up.

Attendance

Paul Chapman	Tolko Industries Ltd
Doug Hunt	Tolko Industries Ltd
Angela Enright	Norman Regional Development
Ron Black	Citizen, Bakers Narrows
Laurel Palosaari	MMF The Pas, Region
Lee Theriault	Wanless
Troy Werstroh	MC
Hal Peterson	Reed Lake Lodge