

**Sustainable Forest Management Committee**  
**“Ensuring the CSA Standard”**

**SFM committee meeting December 2, 2009**  
**Tolko Woodlands Meeting Room**

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The meeting was called to order at 8:45 a.m. by Paul Chapman.

1. Introductions

Paul Chapman asked everyone around the table to introduce themselves.

2. Review of agenda, additional agenda items

The agenda was circulated and additional items requested. Lee Theriault asked for time for concerns he has about quota holder logging in the Wanless area and caribou. No other additions were requested.

3. Review and acceptance of September 16th minutes.

Paul Chapman noted that the minutes are posted on the Tolko web site. Minutes were accepted as presented with no revisions or issues raised.

4. Update on operations.

Doug Hunt gave an update on Tolko operations

- Operations had been down since April. Logging started up a couple of weeks ago. It's been a difficult time for contractors.
- This is the second year operations have been down. We saw the sawmill go from two shifts to one and then one shift to none which put inventories out of whack as we had been cutting first for a two-shift and then a one-shift operation. Inventory is now in line for Pulp & Paper (P&P) operations.
- P&P sales are good but the prices are not. The strong Canadian dollar has a negative impact. P&P will be trying for price increases. We believe P&P will be running uninterrupted. This is good for the contractors but it will be less volume. Annual wood fibre consumption is down from 1.2 million m<sup>3</sup> (full operations) to 800,000 m<sup>3</sup> (reduced operations).
- Tembec has been down since September 1<sup>st</sup> due to poor newsprint market. LP (Louisiana Pacific) is working at 30 to 40 percent capacity. Spruce Products and Waugh's Woods are still operating.
- The hope is markets will improve.
- As a corporation, Tolko is one of the largest in Canada. The Company has been directing lumber to China and Japan trying to get away from dependence on the US markets. Mid December will see one of our sawmills, which is the largest in Alberta shut down indefinitely.
- In Manitoba logging was stopped mid March of 2008 in the Thompson and Wabowden area. All three spurs in the area are now empty with the last of the wood railed to mill last week. No operations are planned in the immediate future. Contractors have been relocated to the Snow Lake area. With the sawmill down round wood is being sent directly to three Spruce Products mobile chippers (one at Sturgeon Landing and two in the Snow Lake area). You will be seeing more chip vans than round wood trailers on the road. Some roundwood (Moose Lake, Blue Ox, Quota Holder and purchase) is still coming to mill for chipping on site.

Discussion on P&P prices, contract orders and sales and lumber prices and affects on the operations. Supply and demand dictates paper prices making increases hard to stick; P&P have sales into the new year. Housing starts in the US have to rebound before sawmill operations will pick up. We expect to be down for at least 18 months – hoping for a spike in demand. Also discussed mobile chipping operations. Talked about size of wood and the economics of mobile chipping. Doug noted operational issues in the High Rock due to difficult terrain and low clearance of chip vans make it costly to build roads for chip vans. Discussed Dickstone Road. Company is moving

forward with construction – expect it will be three summers before wood will be moving on the Dickstone. Purpose of the Dickstone road – not being constructed for transport of chips only; road will accommodate both chip and roundwood transport. Lee Theriault wanted it noted that he believes it is a mistake to take anymore wood from the Wanless area. The company will be chipping east of the Root Lake hill in January.

#### 5. Candidates for the position of Chair

Paul Chapman introduced Ron Black as a volunteer for the Chair. Ron spoke to the committee outlining his qualifications. Ron suggested the term should be for one year so the chair can be reviewed and also give others the opportunity to be involved. The chair should be elected by the committee to give credence to being independent of Tolko and representative of all parties.

Paul Chapman asked for a poll by show of hands. Ron Black elected by majority approval.

At this point Paul handed chairing of the meeting over to the new chair.

#### 6. Review of 2008 Sustainable Forest Management Report.

This review, led by Paul Chapman, focused on the Public Concerns Table from the 2008 Sustainable Forest Management Report. Members were provided with a copy of the Summary of 2008 Public Issues and Concerns Table which detailed issues, company response and plan modification or operation direction provided. Paul explained that Tolko staff update the table monthly with issues/concerns they have received from the public and the Company responds.

Lee Theriault brought up the point that he only just received his copy of the report on Saturday. He felt mail outs should be done at least two weeks prior to the meeting to allow adequate time to review the material received. It was noted the report is on the web site but some do not have computer access. Ron Black noted that when organizing the agenda he will coordinate with Paul Chapman and Joyce Totté for an economical method for sending material to non-computer members.

Discussion resulting from review included:

*January* – Re Grade 7 student concern, discussed Company attending school (education program). Company finances at this time do not allow development of education program. Fiona Donald tried to contact the student by phone but with no success. Student was also told about public meeting scheduled but did not attend.

*June* – Re wood from Saskatchewan/trucking issue. Wood from SK was a special consideration by the SK government approving blocks near the MB border to make it more economical for SK contractors/truckers and Tolko. There was a grievance filed on the MB side. This winter there will be harvesting near Bainbridge. Short discussion on how reserve wood in SK – dealings are with the government and INAC

Discussed availability of table on the CSA web site – it is a component of the CSA Annual Report which is posted. There was a suggestion to supply contact information that people can use to call with questions/concerns. There is some contact information on the site – Paul Chapman will follow up and check what is there. There are opportunities for people without computers through public meetings which are advertised through various media with contact information. (Current contact information, names, positions and numbers are on the website.)

#### 7. Independent CSA SFM audit findings.

Paul Chapman brought it to the attention of the committee that in the draft copy of the Forest Management Report that the Company was not in compliance with Indicator 1.2.1.3.1 *Abundance of residual stand structure*. Due to filing issues some surveys had been missing when the indicator report was written. Inclusion of the missing surveys put the indicator into 100% compliance, well exceeding the 5 tree/ha. Contractor buncher operators are doing the surveys providing them with knowledge of what they need to leave behind when bunching. As Tolko has collected the required data, now it may be time to update this indicator.

Discussed standard in relation to Quota Holder involvement. Quota Holders are independent of Tolko and therefore not held to the standard. They do have to follow conditions as directed by Manitoba Conservation.

Before beginning the review of the audit findings Paul explained the audit process. A pre-determined portion of the plan is audited annually and periodically there is a re-assessment audit where the entire system is audited. The audit the end of September was a re-assessment audit which the Company passed and received a new certificate.

The review included:

*Summary of audit findings* – Four Areas of Concern and six Opportunities for Improvement were identified. No nonconformances were identified.

*Recommendation* – Tolko met the criteria for maintenance of registration to CAN/CSA – Z809-2002.

*Five members of the public participation process were interviewed* - majority of persons interviewed expressed satisfaction with work of the committee and support of Tolko. Attendance is a challenge at meetings. One interviewee was dissatisfied. Discussion included it is up to the auditors how they release information (identity of interviewees). Lee Theriault had a concern with selection of interviewees and that process should be open to any committee member. Ron Black said Lee's concern was noted and the whole committee (not just those present today) are up for selection. Paul Chapman said he took responsibility for this year and will commit that the Chairman will provide the opportunity for anyone who wants to go on the audit in future as an observer.

*Positive Aspects of the Management System* – effective slash pile burning and prompt regeneration – Lee Theriault feels prompt slash pile burning is key to controlling sawyer beetle; diligent efforts to engage and respond to the public; improved root cause analysis; good utilization of conifer fibre resource; minimal site disturbance; and snag tree requirements met (5 tree/ha).

*Areas of Concern* - four areas of concern were identified. Areas are mostly around process (paper trail/procedures). One suggestion was to change indicator 1.1.1.1.1 on block size. It's time to do something with the data collected. Discussed challenge of meetings. Ron Black challenged members to come up with suggestions and proposals on improving conducting of meeting. Discussed splitting meetings between CSA and FRAC with separate minutes. Some ideas were to combine meetings and split CSA in the morning and FRAC in the afternoon. CSA focuses on CSA standards and does not get involved in the broader issues. Concerns were people would not attend both and input would be lost; there is a connection between CSA/FRAC and could not see splitting. Ron Black proposed to address these points on the agenda of the next meeting. The issue is whether to identify CSA as one part of the meeting and FRAC another – separate on the agenda.

*Opportunities for Improvement* – Six Opportunities for Improvement were identified in the audit.

#### 8. Gap analysis of the Z809 2002 vs 2008 standards

Every five years the National CSA committee reviews standards and makes changes if required. The changes with the 2008 standards are available on the web. In the past it was left to the committee to develop their own indicators; now CSA has introduced some mandatory indicators. Some will fit well with our present indicators and some are really new and will need to be addressed.

There was a brief discussion on changes at the provincial level for submission of the Annual Operating Plan and CSA standards. The Company will develop the plan to meet government requirements and to comply with CSA standards. Also discussed deferral system using caribou as an example. Consensus was not to see the forest industry take a huge economic dive –Tolko needs to keep working with the province to keep the industry viable and protect the caribou.

Paul provided the committee with a color coded handout of new 'core indicators'.

- Green hilite means indicator is pretty well covered – 14 indicators fit into this category
- Yellow hilite means the indicator is somewhat covered by existing indicator but could be beefed up – 12 indicators fit into this category.
- Red hilite means no relevant indicator or very weak correlation – 10 indicators fit into this category.

We will get into more detail in future meetings. We have three years to update to the new standard or lose certification.

Some discussion on caribou. Ron Spence noted they are doing caribou studies in conjunction with MB Hydro. Lee Theriault raised concerns over loss of caribou. Ron Black noted everyone knows caribou is a sensitive issue with no answers and is a serious concern. Ron also clarified we are reviewing the standards today not the subjects within the

standards. One is entitled to talk about the subjects; it's just not on the agenda today. Touched on subject of inclusion of medicinal plants – decided better to stay general then to restrict to specific wording. Also briefly discussed: disposal of limbs, water sheds, carbon credits and who gets the benefits, consultation process.

9. Current indicators that may need revision/updating.

Paul Chapman provided a handout listing the indicators with areas requiring attention hilited in yellow. Additions to the indicators are a result of the GAP analysis. We do not want to make the current plan bigger – we are hoping to meet the new requirements without making it bigger or more onerous.

Lee Theriault wanted concern about logging in burned areas looked at in future meeting.

Discussed boundary concerns and ASIs. Identified concern that Parks wants to protect large areas until specific areas are identified and that the process is taking a long time. There are no parks but lots of ASIs. Paul pointed out ASIs on map. Suggestion made to invite someone from the government to talk to committee and work with them on resolving issues – would be beneficial for new members. Paul Chapman said that is something we could do as we get closer to working on the related indicator. Touched on idea of taking presentation back to member organizations who in turn can pressure Manitoba for decisions to be made.

10. Planning to develop new indicator to transition to the new standard.

a. Timing of meetings (length, frequency)

Planning on 8 to 10 meetings – format will be evening 5 p.m. to 9 p.m. (supper meeting) plus the next day 9 a.m. to 4p.m. Evening can be for presentations/orientation with discussion following day.

Discussed how to include FRAC meeting with above schedule. Four FRAC meetings are required annually. Suggested including FRAC every third meeting.

b. Resources required.

Tolko meeting room is adequate. Need to look at getting better technology for teleconferencing. Video conferencing is available if needed at alternate locations both in The Pas and areas.

Consensus was access to material on web site was useful. For those without computers mail outs will be done on a timely basis.

c. Necessary participants.

Discussed aboriginal involvement and the need to get more communities involved. Ron Spence identified a need to have contact people in the communities identified. The mailing list provides contacts – they can decide if the information sent is important to them and participate if they wish to have input. Angela Enright volunteered that if provided with some information would get it out at a council meeting. Ron Black challenged everyone at the meeting to go out and find someone the communities would recognize – the Company wants commitment and credibility.

d. Schedule of meeting.

Developed meeting schedule to August 2010 – will assess as we go along:

January 20/21  
March 3/4  
April 14/15  
May 26/27  
July 7/8  
August 18/19

Final discussion focused on training, specifically Aboriginal cultural awareness. Ron Spence knows someone who has developed training that could be invited. Michelle Bahm also noted the MMF has material that would be appropriate for the area – can also get a generic presentation.

Richard Gibbons suggested everyone go to the CSA site and get a copy of the CSA document to read through and familiarize with. Paul Chapman noted there is a section on CSA terms in the document.

Ron Black provided contact information for himself:

Email: [rkblack55@hotmail.com](mailto:rkblack55@hotmail.com)

Phone: 204-687-3035

Fax: 204-687-3152

Meeting adjourned at 2:45 p.m.

Five members led by Paul Chapman proceeded on for the tour at Kraft Papers.

#### Attendance

Paul Chapman	Tolko Industries Ltd
Doug Hunt	Tolko Industries Ltd
Joyce Totté	Tolko Industries
Richard Gibbons	D.F.A. resident
Michele Bahm	MMF
Ron Black	Bakers Narrows/citizen
Lee Theriault	Wanless citizen
Shawn Sexsmith	
Terri Wyatt	RM of Mountain
Angela Enright	NorMan Region
Bryan J. Lundie	M.T.A.
Ron D. Spence	Nelson House First Nation
Lori Lathlin	OCN – Treaty Land Entitlement
Norman Monias	MB Conservation
Elizabeth Bignell	OCN - NRC
Mark Kolt	Teleconference – City of Flin Flon
Don Pronteau	Teleconference –Thicket Portage
William Brightnose	Teleconference – Thicket Portage
Charlene Mc Curdy	Teleconference – Thicket Portage