

Merritt TSA Sustainable Forest Management Plan



Annual Monitoring Report *January 1, 2005 to December 31, 2005*

Released, March 2006

Participating Forest Licensees:

Applied Timber Management Ltd. ▪ Ardew Wood Products Ltd. ▪ Aspen Planers Ltd. ▪ BC Timber Sales Program ▪ Nicola-Pacific Forest Products Ltd. ▪ Princeton & District Community Forest Corporation ▪ Princeton Forest Products ▪ Princeton Wood Preservers/ Hu'kwa Resources Inc. ▪ Qwa'eet Forest Products Ltd. ▪ Tolko Industries Ltd. ▪ Weyerhaeuser Company Ltd.

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1.0 Background

Between November 2000 and May 2001, thirteen forest licensees operating in the Merritt Timber Supply Area worked with a group of public stakeholders and First Nation representatives (the SFM Advisory Group) to develop a Sustainable Forest Management (SFM) Plan.

Members of the SFM Advisory Group represented a cross-section of local interests including recreation, ranching, forestry, conservation, water, community, and First Nations.

The Plan is based on the Canadian Standards Association (CSA) Sustainable Forest Management System, which is one of the primary certification systems currently being used in British Columbia. The CSA system sets performance goals and targets over a defined forest area to reflect local and regional interests. Consistent with most certifications, the CSA standards expect compliance with existing forest policies, laws and regulations.

Any licensee wishing to become registered to the Canada's national standard, known as CAN/CSA-Z809 could use the plan, in part, to meet the forest certification requirements. The SFM Plan serves as a "roadmap" to current and long-term management in the TSA, setting performance targets and management strategies that reflect the ecological and social values across the TSA.

VISION STATEMENT

The Merritt TSA Sustainable Forest Management Plan will foster forest management practices based on science, professional experience and local public and First Nations input that contribute to the long-term health and productivity of forest ecosystems, a strong economy and thriving communities throughout the Merritt TSA

2.0 Continual Improvement



The SFM Plan contains 35 targets for sustainable forest management. Indicators for these targets are monitored annually based on information provided by each licensee. Annual monitoring reports – prepared each spring – indicate whether performance measures for each of the targets have been met. These reports are available to the public from the Merritt TSA

Certification website:

www.for.gov.bc.ca/dcs/SustainableForestry/SustainableForestry.htm.

The effectiveness of the SFM Plan is continually evaluated through a review of annual monitoring results. This review provides licensees and the public with an opportunity to provide input concerning new or changing public values that can be incorporated into future updates of the SFM Plan. Performance measures (targets and indicators) may also change as additional information becomes available.

3.0 Opportunities for Involvement

More information about sustainable forest management in the Merritt TSA (including a copy of the Sustainable Forest Management Plan) can be obtained from the Merritt TSA Certification website: www.for.gov.bc.ca/dcs/SustainableForestry/SustainableForestry.htm. If you would like to become further involved in this initiative please contact one of the participating forest licensees listed on the back of the front cover.

4.0 Highlights 2005

The following summarizes highlights from the Merritt TSA 2005 Sustainable Forest Management Monitoring Report:

- Wildlife tree patches or individual wildlife trees were retained for 99 percent of cutblocks greater than 5 hectares as compared to a target of 90 percent.
- A total of 2829 hectares in the Merritt TSA achieved free growing status prior to the late free growing date. On average, obligations were met 4.8 years earlier than legally required.
- Ninety-nine percent of areas prescribed for reforestation were planted within 3 years of harvest compared to a target of 90 percent.
- One hundred percent of harvest commitments toward the removal of Mountain Pine Beetle infested timber within the critical timeframe were achieved. In total, 2834 hectares of timber were salvaged.
- The harvested area occupied by permanent roads and landings was 3.5 percent of the total harvest area as compared to a target of less than 7 percent.
- One hundred percent of the area (2283 hectares) prescribed for natural regeneration with a regeneration expiry date during the reporting period was successfully regenerated.

5.0 Performance Summary 2005

Environmental, social and economic performance is assessed according to the six criteria in the CSA standard. The 6 criteria which define the broad parameters of sustainable forest management are biological diversity, forest ecosystem condition and productivity, soil and water resources, contributions to global ecological cycles, benefits to society, and society's responsibility for sustainable development.

Annual performance related to the implementation of the SFM plan is assessed by determining the extent to which targets for individual indicators have been met. The overall achievement of sustainable forest management is assessed by reviewing progress toward the local values identified for the criterion in the SFM plan. Since targets and indicators have been established for each of the local values relating to the criterion, an assessment of progress towards sustainable forest management can be made by reviewing the collective achievement of the indicator results for each criterion. A summary of the 2005 performance results according to CSA criterion is shown below. Indicators with targets that were not achieved have been shown in grey.

Criterion	Related Indicators	Percent Achieved
1. Conservation of Biological Diversity	1, 2, 3, 5, 6, 7, 8, 33, 34	78%
2. Maintenance of Forest Ecosystem Condition and Productivity	1, 3, 5, 9, 10, 36	67%
3. Conservation of Soil and Water Resources	2, 12, 13, 14, 15, 16, 32	57%
4. Forest Ecosystem Contribution to Global Ecological Cycles	9, 10, 11, 12, 17, 18, 34, 36	88%
5. Multiple Benefits to Society	16, 18, 19, 20, 21, 22, 23, 25, 26, 29, 30, 31	92%
6. Accepting Society's Responsibility for Sustainable Development	4, 24, 25, 26, 27, 30, 35	100%

Targets were not met for five indicators (2, 5, 10, 13, 16) relating to five CSA criteria during the 2005 reporting period. All of these indicators had targets of 100 percent with no allowable variance. The table below shows the performance level for each of the indicators that were not fully achieved.

Indicator	Performance Level	Percent Achieved
2	220 of 221 riparian commitments achieved	99.5%
5	313 of 316 areas planted with ecologically suitable species	99%
10	2902 of 2990 hectares met free growing requirements on or before late free growing date	97%
13	11.4 of 7159 hectares harvested where soil conservation commitments were not achieved	99.8%
16	1274 of 1264 road and/or structure inspections completed	100.7%
	131 of 135 road maintenance action items completed	97%

6.0 Performance by Indicator and Target

In an SFM Plan it is the Indicators and Targets that provide the performance measures that are to be met through on-the-ground forest management activities. Full compliance is required for many targets (i.e., there is no variance). Where full compliance may not be achievable, an acceptable level of variance is indicated for the target.

Indicators are variables that measure or describe the state or condition of a value.

Targets are specific statements that describe a desired future state or condition of an indicator.

Indicator (1): Percentage of old forest greater than 250 years within Natural Disturbance Type 4 (NDT4) (i.e., Interior Douglas fir biogeoclimatic subzone)

Target: A minimum of 90% (12,454 hectares) of existing age class greater than 250 years retained within NDT4.

Assessment Results: Less than one percent (44 hectares) of NDT 4 age class greater than 250 years in the Merritt TSA was harvested in 2005. Of this volume, 42 hectares was attributed to the harvest of younger trees which did not contribute to the inventory age class of the stand.

Ecosystems are categorized into natural disturbance types (NDTs) based on fire return intervals and disturbance sizes and patterns. NDTs are used to provide guidance for maintaining biodiversity.

Indicator (2): Level of conformance to Riparian management area commitments contained within licensee plans.

Target: One hundred percent conformance to riparian commitments involving known temperature sensitive streams and their direct tributaries within licensee plans.

One hundred percent conformance to other riparian commitments within licensee plans.

Assessment Results: Of the 221 riparian commitments made during the reporting period, one non-conformance was reported. The non-conformance was the result of a pipe diameter being smaller than specifications for allowing fish passage. The stream was dry at the time of installation and the culvert removed prior to freshet, therefore preventing any obstruction to fish passage.

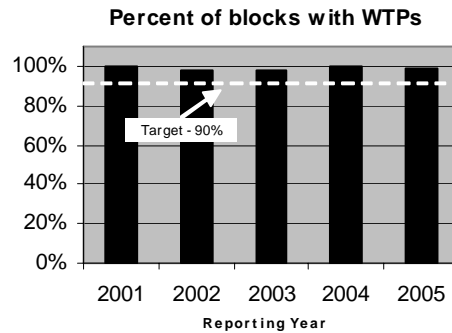


Indicator (2) forms part of the overall strategy to manage for biodiversity at the landscape and stand levels. Riparian management areas provide connectivity of forested cover along waterways, which are generally areas with high value for wildlife habitat and movement.

Indicator (3): Percent of harvested blocks greater than 5 hectares that have individual wildlife tree/stubs and/or associated wildlife tree patches.

Target: Ninety percent of cutblocks have stand level biodiversity that will include individual wildlife tree/stubs and/or associated wildlife tree patches.

Assessment Results: Ninety-nine percent (213 of 215) cutblocks greater than 5 hectares harvested in 2005 had individual wildlife trees/stubs or associated wildlife tree patches.



Indicator (3) focuses on management for biodiversity at the stand level. Note that wildlife tree patches may be located outside of cutblocks, along their edge, and still be consistent with provincial policy on wildlife tree retention.

Indicator (4): Percent of First Nation commitments addressed.

Target: Address all Forest Development Plan commitments made relating to First Nation requests (i.e., forest-related traditional knowledge, cultural and heritage values).

Assessment Results: Licensees achieved 100 percent (134 of 134) of First Nation Forest Development Plan commitments during the 2005 reporting period.

As responsible stewards of public forest land, licensees work proactively with First Nations to build mutually beneficial relationships.

Indicator (5): Percent of harvested areas that are regenerated with species ecologically suited to the site.

Target: All harvested areas regenerated to species ecologically suited to site.

Assessment Results: Ninety nine percent (313 of 316) of harvested areas were planted with species ecologically suited to the site. Three areas were planted with a mixture of acceptable and unacceptable stock. This was due to an overflow seedlot being moved from an adjacent area with an approved variance request in place. To address the situation, these areas are scheduled to be replanted in 2006.

Prompt reforestation ensures that the productive capacity of forest landbase to grow trees is maintained. Licensees will follow guidelines specifying tree species that are most suited ecologically to maintain natural forest composition in an area.

Indicator (6): Degree of protection given to Identified Wildlife.

Target: One hundred percent conformance to plan commitments designed to protect Identified Wildlife species or habitat.

Assessment Results: One hundred percent (333 hectares) of the areas with plan commitments to protect Identified Wildlife species or habitat were harvested in conformance with commitments. Species managed for were Northern Goshawk, Grizzly Bear, Mountain Beaver, and Tailed Frog.

Indicator (7): Percent of harvested cutblocks within the mule deer winter range that are managed consistent with the Merritt TSA Mule Deer Strategy.

Target: All cutblocks within the mule deer winter range managed consistent with government policy.

Assessment Results: One hundred percent (27 of 27) of cutblocks within the mule deer winter range were managed in accordance with the Merritt TSA Mule Deer Strategy.

Mule deer winter range is forecast as part of the Timber Supply Review.

Indicator (8): Percent of areas revegetated with grass seed that is “graded acceptable”.

Target: All areas revegetated for the control of noxious weeds and erosion will use Canada #1 or equivalent grass seed.

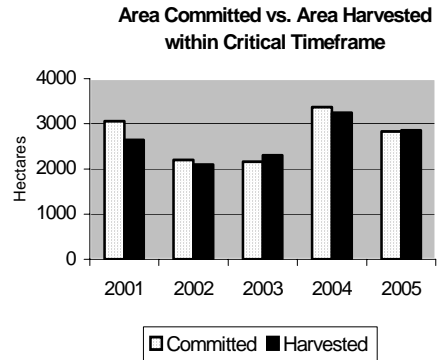
Assessment Results: 12,694 kg of Canada #1 or equivalent grass seed was purchased during the reporting period. 13,114 kg of Canada #1 or equivalent seed was applied for revegetation of roads and right of ways.

High levels of germination and quality seed during revegetation will provide less of an opportunity for noxious weed establishment.

Indicator (9): Percent of harvest priorities related catastrophic forest health events (e.g. Mountain Pine Beetle) completed prior to critical time frame.

Target: One hundred percent of area committed for harvest prior to critical time frame will be harvested. Variance 20%.

Assessment Results: One hundred percent (2834 of 2834 hectares) of the area committed for harvest due to catastrophic forest health events was harvested within the critical timeframe. The catastrophic forest health agent was Mountain Pine Beetle. One licensee reported an additional 58 hectares harvested within the critical timeframe that had not been committed to harvest.



The Ministry of Forests and Range is responsible for providing guidelines on key dates such as free growing, based on specific biogeoclimatic information for each site.

Indicator (10): Percentage of cutblock area that meets free growing requirements on or before the latest date.

Target: All cutblocks will reach free growing requirements on or before the latest date.

Assessment Results: Ninety seven percent (2902 hectares of 2990 hectares) of harvested areas met free growing requirements on or before the late free growing date. The 88.5 hectares which were declared beyond the late free grow date have been identified for resurveying.



Achievement of the earliest free growing date will help ensure that the productive capacity of the forest landbase to grow trees is maintained.

Indicator (11): Area of cutblocks that outperformed late free growing requirements in that year.

Target: Report area of cutblocks that outperformed late free growing requirements and average time by which requirements exceeded.

Assessment Results: A total of 2829 hectares achieved free growing status prior to the late free growing date.

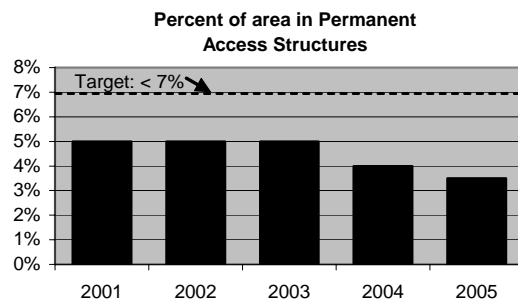
On average, obligations were met 4.8 years earlier than legally required.

Achievement of the earliest free growing date will help ensure that the productive capacity of the forest landbase to grow trees is maintained.

Indicator (12): Annual percent of cutblock areas in permanent access structures (e.g. roads, landings).

Target: Less than 7 percent on average of cutblock areas in permanent access structures.

Assessment Results: Permanent access structures such as roads and landings accounted for 3.5 percent (238 hectares) of the total area harvested during 2005.



Access structures such as roads and landings compact soil, making regeneration difficult, and disrupt the natural connectivity within forest stands. The percent target refers specifically to loss to the timber harvesting landbase due to access structures within harvested areas.

Indicator (13): Level of conformance to soil conservation commitments contained within licensee plans.

Target: One hundred percent conformance to soil conservation measures contained within licensee plans.

Assessment Results: Almost one hundred percent of soil conservation commitments were achieved over the 7,159 hectares harvested during the reporting period. Licensees reported 11.4 hectares (less than 1 percent of the total area harvested) where soil conservation commitments were not achieved. All of these areas will be assessed and/ or site prepared in 2006.

Soil conservation standards help to ensure that forest soils remain productive and losses to forest development are minimized.

Indicator (14): **Number of operationally caused slides occurring as a result of a failure to perform a terrain assessment or to follow the recommendations within a completed assessment.**

Target: Zero slides.

Assessment There were no operationally caused slides during the reporting period.
Results:

Decreased exposure of forest soils reduces the potential for sedimentation and ensures the maintenance of water quality.

Indicator (15): **Percent of watershed that is equivalent clear cut area (ECA).**

Target: Equivalent clear cut area (ECA) not to exceed 35% without doing further hydrological assessments prior to harvesting.

Assessment Fifteen cutblocks harvested during the reporting period had an ECA
Results: exceeding 35%. All of these cutblocks had further hydrological assessments completed prior to harvesting.

Indicator (16): **Percent of permanent status roads that have inspections and related maintenance completed as per programs.**

Target: All permanent status roads will have inspections and related maintenance completed as scheduled.

Assessment A total of 1274 road/ structure inspections were completed as compared to
Results: 1,264 road/ structure inspections scheduled during the reporting year. Although, collectively, licensees completed more inspections than scheduled, two licensees reported completing fewer inspections than scheduled (19 in total). Both licensees stated that inspections have been rescheduled for 2006. One licensee noted that an additional 150 unscheduled road inspections (not included in above figure) were completed during the reporting year.

In 2005, 97 percent (131 of 135) of scheduled road maintenance action items were completed. The four action items that were not completed were deemed to be of low priority and have been scheduled for completion in 2006.

Indicator (16) recognizes the potential impact of roaded access on forests and waterways.

Indicator (17): Percent of area prescribed for planting that is completed before or during the third growing season; and, percent of natural regeneration area meeting natural regeneration delay.

Target: Ninety percent of area prescribed for planting is completed within the third growing season from start date of harvest.
All natural regeneration area meeting natural regeneration delay.

Assessment Results: Ninety nine percent of areas (3,712 hectares of 3,763 hectares) prescribed for planting were completed within the third growing season from start date of harvest. The remaining 51 hectares were planted in the fourth growing season.

One hundred percent of areas prescribed for natural regeneration with a regeneration expiry date within the reporting period (2283 hectares) were successfully regenerated.

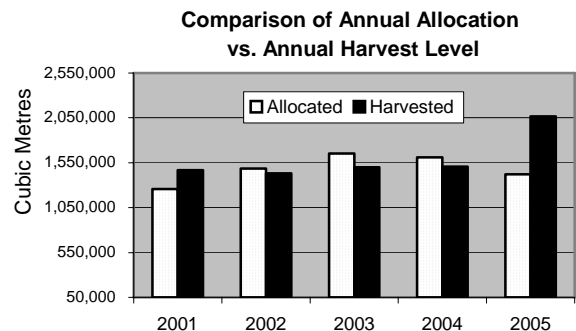


Prompt reforestation will ensure that the productive capacity of forest landbase to grow trees is maintained. Promptness will also aid in providing younger trees a head start against competing vegetation, helping to reduce the need for manual or chemical brushing treatments.

Indicator (18): Annual harvest level as a percent of annual allocation.

Target: Full compliance with cut control and annual reporting of harvest level and allocation.

Assessment Results: The Crown Licence volume harvested in 2005 was 2,066,603 cubic metres. All licensees were within the cut control variance set out by regulation.



The Chief Forester determines the sustainable harvest level for the TSA after considering social, economic and biological criteria. Licensees contribute to the sustainable harvest level by adhering to their apportioned harvest volume within the TSA. Cut control regulations dictate the short-term harvest flexibility.

Indicator (19): Total output of forest products (lumber, chips and other) from sawmills within the TSA.

Target: Report the board feet and chip volume produced by sawmills within the TSA.

Assessment Results: The total lumber output from sawmills within the TSA was 640,545,000 board feet.

The total chip, shavings and hog fuel output from sawmills within the TSA was 523,261 bone dry units.

The total of other forest products output from sawmills within the TSA was 39,484 cubic metres.

Indicator (20): Operating level of timber processing facilities.

Target: Report number of timber processing facility operating days, the average number of shifts for days the mill was in production and the number of mill employees on payroll.



Assessment Results: Timber processing facilities within the Merritt TSA were in operation an average of 249 days in 2005 with an average of 1.8 shifts a day.

A total of 694 mill employees were on payroll during the reporting period.

Indicator (21): Conformance with plan commitments related to lakeshore guidelines.

Target: One hundred percent conformance to plan commitments related to lakeshore guidelines.

Assessment Results: One hundred percent (147 of 147 hectares) of the areas harvested that required management for lakeshore guidelines conformed to plan commitments.

Indicator (22): Percent of cutblocks in known scenic areas with visual impact assessments completed.

Target: Conduct visual impact assessments in known scenic areas (visual impact assessment demonstrates how harvest meets intent of visual quality objectives).

Assessment Results: Visual Impact Assessments (VIAs) were carried out on 95 percent of cutblocks (37 of 39) in known scenic areas. A VIA was not required for one block because only 0.2 of a hectare was within a scenic area. The other area was harvested for the “major expedited salvage” of Mountain Pine Beetle infested timber. Visual Impact Assessments are only required for major expedited salvage upon written request of the District Manager and no request was issued.

Visual quality objectives define the amount of visual alteration acceptable from a given viewpoint. The choice of scenic areas and significant viewpoints is based on social preferences.

Indicator (23): Number of forest development plan meetings.

Target: Provide opportunity for public input at Forest Development Plan/ Forest Stewardship Plan meetings.

Assessment Results: A total of 133 people attended 33 meetings to discuss Forest Development Plans in 2005.

Indicator (24): Maintain an SFM Advisory Group.

Target: Conduct a minimum of two meetings per year.

Assessment Results: Two SFM Advisory Group meetings and one field trip were held during the reporting period.



Indicator (24) demonstrates a commitment by licensees to develop and continually improve upon a Sustainable Forest Management Plan, irrespective of whether or not they intend to pursue formal certification. This will ensure consistency of sustainable forest management across the TSA.

Indicator (25): Number of First Nations consultation meetings attended related to Forest Development Plan.

Target: Participate in Forest Development Plan/ Forest Stewardship Plan consultation meetings with First Nations related to government consultation process.

Assessment Results: Licensees attended 88 First Nations consultation meetings in the TSA during the reporting period.

As responsible stewards of public forest land, licensees work proactively with First Nations to build mutually beneficial relationships.

Indicator (26): First Nations involvement in Nicola Similkameen Innovative Forestry Society.

Target: Report on First Nations involvement in Nicola Similkameen Innovative Forestry Society.

Assessment Results: The Nicola Tribal Association and Upper Similkameen Indian Band are represented on the Nicola Similkameen Innovative Forestry Society's Board of Directors and Technical Committee. In addition, a portion of Forestry Plan spending is allocated to First Nations projects.

As responsible stewards of public forest land, licensees work proactively with First Nations to build mutually beneficial relationships.

Indicator (27): Maintain number of extension activities offered to reach individuals.

Target:

- a) Maintain the number of extension activities such as career days, classroom presentations, tours and open houses.
- b) TSA Licensees will keep members of the public informed of forestry strategies being developed, and planning occurring by:
 - Maintaining a website
 - Circulating SFMP and other information to the public at least annually (news release/leaflet/open house etc.)
- c) TSA Licensees respond to all written requests from the public for communication within 30 days of their receipt.

Assessment Results: In 2005, 937 community people were reached through 27 extension activities.

The Sustainable Forestry website was updated during the year and the Merritt Sustainable Forest Management Plan was circulated to the public.

Only one written request from the public was received by licensees during the reporting period. The request was responded to within one day.

Indicator (29): Number of annual business initiatives and partnerships.

Target: Report business initiatives and partnerships.

Assessment Results: A list of the various business initiatives and partnerships that licensees were involved in during the reporting period can be found in Appendix 1.

Indicator (30): Number of written comments from First Nations related to Forest Development Plan (FDP) proposals and the number of responses.

Target: Open communications with First Nations during FDP reviews will include appropriate consideration of identified values. All written requests will be considered and responded to. Where specific written concerns were not incorporated into the FDP, licensees will provide a letter of explanation (including options for recourse).

Assessment Results: There were 51 written requests from First Nations for the reporting period and 51 written responses.

Indicator (30) recognizes the importance of open communication and providing opportunities for meaningful participation of First Nations in forestry planning.

Indicator (31): Number of written comments from stake-holders and public related to the Forest Development Plan/ Forest Stewardship Plan proposals and the number of responses.

Target: Open communications with stakeholders and public during Forest Development Plan/ Forest Stewardship Plan reviews will include appropriate consideration of identified values. All written requests will be considered and responded to. Where specific written concerns were not incorporated into the Forest Development Plan/ Forest Stewardship Plan, licensees will provide a letter of explanation (including options for recourse).

Assessment Results: Licensees responded to 100 percent (4 of 4) of written requests received from stakeholders and the public in regard to Forest Development Plans.

Indicator (32): Amount of time for road cut and fill slope grass seeding application.

Target: All road cut and fill slope grass seeding application carried out within 12 months of completed road construction.

Assessment Results: 142 kilometres of road were grass seeded during the reporting period. On average these areas were seeded within 5.9 months of completed road construction compared to a target of 12 months.



Prompt revegetation of road cuts and fill slopes will minimize potential for soil movement and sedimentation. This will contribute to maintenance of water quality and long-term productivity of the land. Prompt revegetation of harvested areas will also contribute to noxious weed control.

Indicator (33): Protected Ecosystems

Target: Maintain 60,548 hectares of the land base in the Merritt TSA as protected areas. As new inventories are completed update the areas of the land base that are affected.

Licensees (representatives) participate in Old Growth Management Area (OGMA) delineation opportunities.

Assessment Results: 60, 548 hectares of the land base in the Merritt TSA has been maintained as protected areas.

There were no OGMA delineation opportunities during the reporting period. Draft OGMAs were adopted by licensees in 2004.

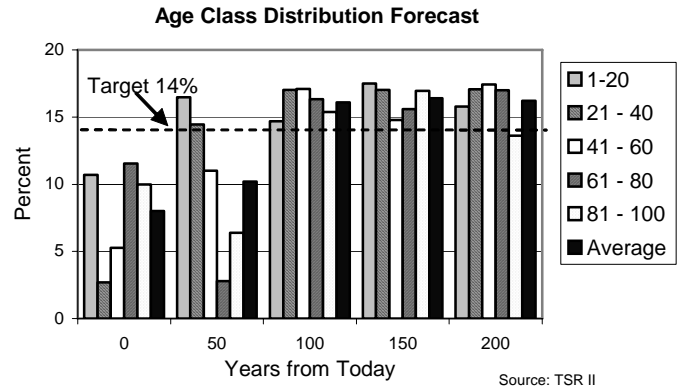
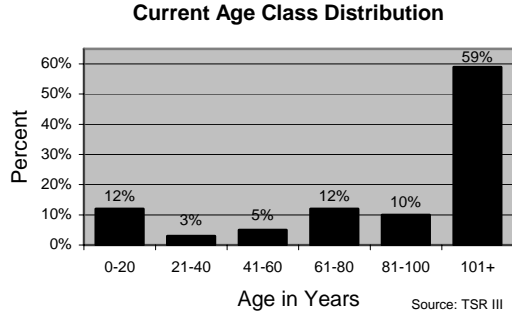
Indicator (34): Forest Age Class Distribution

Target: Over time, maintain a stable forest age class distribution on the timber harvesting land base. Each age class to 100 years old [1 (1 to 20), 2 (21-40), 3 (41-60), 4 (61-80), 5 (81-100)] occupies at least 14% of the timber harvesting land base.

Assessment Results: None of the age classes up to age 100 currently meet the 14% target.

Almost 60% of forests in the TSA are older than 100 years, a reflection of harvest history and fire prevention measures in the TSA.

From TSR II, it was forecast that the 14% target would be achieved 100 years.



Indicator (35): Advisory Group Participant Satisfaction Survey

Target:

- a) 80% of responses “3” or better.
- b) All written comments are reviewed and considered, and all line responses averaging less than 3 become action items.

Assessment Results: Of the 12 surveys distributed to Public Advisory Group members, 7 were completed. Respondents were asked to rate questions on a scale of 1 (Poor) to 5 (Well Done). Ninety three percent of responses to survey questions ranked “3”(satisfactory) or better. Six responses were ranked as “N/A”.

Only one survey question had a response average of less than “3”. The question was regarding whether respondents felt a broad cross-section of the community was represented at Advisory Group meetings. Responses for this question ranged from “1” to “4”, with a response average of 2.1.

For a summary of survey results by question, refer to Appendix 2.

Indicator (36): Mean Annual Increment (MAI)

Target: Maintain the long term productivity of the forest as measured by the mean annual increment (cubic metres/ hectare/ year) for Lodgepole pine.

Assessment Results: The current Lodgepole pine MAI, including small wood, is 1.52 cubic metres per hectare per year (Source: TSR III).

Appendix 1

Business Initiatives and Partnerships

Licensee	Business Initiative/ Partnership	Description
Ardew Wood Products Ltd	Nicola Post & Rail	Supply logs.
	Nicola Valley Pine Furniture Pine Ideas	Supply logs for furniture stock. Supply lumber for furniture components.
	Nicola-Pacific Forest Products Ltd.	Joint venture with Upper Nicola Band. Supply employment to Band members.
	Upper Nicola Forest Corporation	Joint venture with Upper Nicola Band. Provide employment to Band members.
	Applied Timber Management	Forest Licence Management Agreement
Aspen Planers Ltd.	Coldwater Post and Rail	Manufacture and marketing of round wood products (posts, rails, dowels, grape stakes). This business is a coordinated effort between Aspen and local First Nations people.
	MWP Cascade Post & Rail Princeton	Manufacture and marketing of round wood products (posts, rails, dowels, grape stakes).
	Eagles Nest Homes	Supply logs for the construction of log homes.
	Qwa'eet Forest Products Ltd.	Joint venture between Aspen and local First Nations bands in Merritt area.
	Jaeden Resources Ltd.	Joint business relationship between Aspen and another partner for harvesting, road development, road maintenance and forest planning operations.
	NVCL	Business relationship regarding trim blocks and sorting and marketing for finger joint markets.
	Stu'wix Resources	Forest Management relationship involving all phases of Forest Development and stump to dump harvest and hauling.
	Princeton Forest Products	Provide logs to manufacture pallets.
BC Timber Sales Program	ML Brown Lumber Ltd.	Timber Sale
	Bruce Donovan Martin	Timber Sale
	Gane Enterprises Inc.	Timber Sale
	John Patrick Lawrence	Timber Sale
	David Alan Lusted	Timber Sale
	Ken Martin Contracting Ltd.	Timber Sale
	H.D. Wright Logging Ltd.	Timber Sale

Licensee	Business Initiative/ Partnership	Description
Princeton & District Community Forest Corporation	Princeton Wood Preservers	Supply of Post & Rail materials.
	Princeton Post and Rails	Supply of Post & Rail materials.
Qwa'eet Forest Products	Aspen Planers Ltd.	Forest Licence partnership.
	Coldwater Post and Rail	Manufacture and marketing of round wood products (posts, rails, dowels, grape stakes).
	MWP Cascade Princeton	Manufacture and marketing of round wood products (posts, rails, dowels, grape stakes).
	Eagles Nest Homes	Supply logs for the construction of log homes.
	NVCL	Business relationship regarding trim blocks and sorting and marketing for finger joint markets.
	Princeton Forest Products	Contract to provide logs for manufacturing pallets
Tolko Industries Ltd.	Highland Block Sort	Joint venture providing trim blocks for sorting, chopping and marketing of product through Tolko brokerage.
	Ska-Lu-La	Manufacture of lathe and dunnage for community based program for the disabled.
	Larry Kirk Sawmills	Log trades and supplier of bridge timbers.
	Nicola Post and Rail	Sawlog trade for small diameter logs.
	Upper Nicola Indian Band	Contract for forest development work. Assistance with the Band's Forest and Range Agreement. Contract logging work.
	Grizzly Man Resources	Contract logging work, log purchases and contract for Forest Development work.
	Upper Similkameen Indian Band	Contract tree planting work.
	Lower Nicola Indian Band	Contract for Forest Development work and contract logging work.
Weyerhaeuser Co. Ltd.	SBC Firemaster Ltd.	Log Trade Agreement/ supply dry wood for firewood.
	Princeton Forest Products	Log Trade Agreement/ small wood Licence management.
	Princeton Wood Preservers	Log Trade Agreement/ small wood Licence management.
	Town of Princeton	Log Trade Agreement/ small wood Licence management.
	Princeton Co-gen	Raw material supply for wood pellets.
	USIB, UNB, LNIB, NTA	Services agreement for archaeology related work.

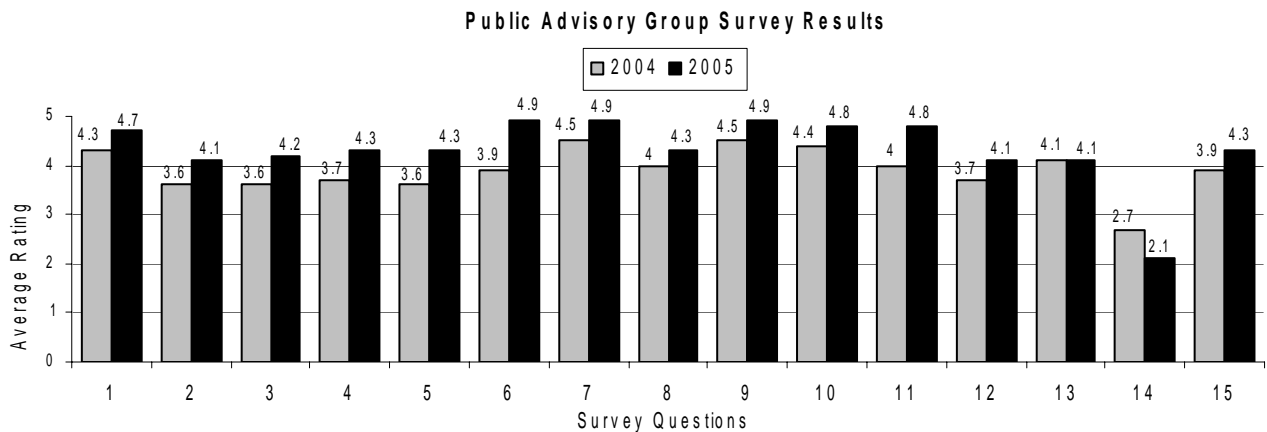
Appendix 2

Advisory Group Evaluation Summary – 2005

Seven members of the Public Advisory Group completed the 2005 survey. Participants were asked to rate the questions below on a scale of 1 (Poor) to 5 (Well Done). The chart below shows the average response for each survey question in 2005 in comparison with the average response for each question in 2004.

Survey Questions:

1. I have a good understanding of the purpose of the advisory group and my role as part of that group.
2. My concerns related to SFM values and objectives are being adequately listened to at the Advisory Group Meetings.
3. Efforts have been made to incorporate my concerns related to SFM values and objectives into the SFM Plan.
4. My concerns related to SFM indicators and targets are being adequately listened to at the Advisory Group Meetings.
5. Efforts have been made to incorporate my concerns related to SFM indicators and targets into the SFM Plan.
6. Information provided in advance of meetings is adequate and organized to allow for me to effectively contribute.
7. Advisory Group Meetings are run efficiently and effectively.
8. The meeting agenda allows for discussion of any related sustainable forestry issues of concern to advisory group members.
9. The meeting minutes capture important aspects of the meeting.
10. Additional information I ask for is provided to me.
11. Communication with advisory group members between meetings is adequate.
12. The outputs generated through discussion with the advisory group (SFM Plan and annual monitoring reports) are clear and concise.
13. Scheduling of meetings held during the year is an adequate balance between meeting continuous improvement objectives of the SFM Plan and use of my time.
14. A broad cross-section of the community is represented at Advisory Group Meetings.



Comments submitted with the 2005 survey:

1. Where is Princeton? Other communities? More First Nations? Loggers?
2. Consideration should be given to changing a number of questions in this questionnaire. For example, I don't think the PAG had any discussion of values and objectives in 2005. Perhaps questions should relate better to the subject matter of the past year's meetings and field trip. There's no question about the field trip. Why not?
3. Re: Question #14 – Not for a lack of effort on the group's part.

Appendix 3

Licensee Monitoring Summaries

2005 SFM MONITORING SUMMARY



More information on how Tolko performed against all 35 sustainability indicators, can be obtained by contacting Bruce Beech, RPF, Divisional Forester at Tolko.

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Photo Taken by Bill Stowell, Nicola Division

Tolko Industries Ltd.'s 2005 SFM Performance Highlights

SFM Plan performance targets were achieved for 33 of 35 indicators and objectives relating to the sustainability criteria in the SFM Plan. The following summary highlights Tolko's contribution to the Merritt TSA 2005 Sustainable Forest Management report:

- The target of retaining 90 percent of old forests in the Interior Douglas-fir zone was achieved. There was some harvesting within the NDT 4 areas, but the areas harvested focused on the harvesting of younger trees not contributing to NDT >250 years.
- Structural diversity at the stand level was accomplished by provisions of wildlife tree patches or individual wildlife trees in 100% percent of cutblocks greater than 5 hectares, as compared to a target of 90 percent.
- 99.8% of the areas prescribed for replanting were planted within 3 years of harvest, compared to a target of 90 percent.
- A total of 778.1 hectares of young forests were declared free growing prior to the legally required date. Free growing was achieved on average 5 years prior to the date required by law.
- The harvested area occupied by permanent roads and landings was 5.5 percent of the total area, compared to the target of 7 percent.
- On average, road cuts and fill slopes were seeded or planted within 1 month of completed road construction, compared to a target of 12 months.
- 305 hectares of salvage areas were harvested as compared to the target of 247 hectares. Achieving 124% exceeding the target of 80%.



More information on how Tolko performed against all 35 sustainability indicators, can be obtained by contacting Bruce Beech, RPF, Divisional Forester at Tolko.

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SFM Plan performance targets were not achieved for 2 objectives. These objectives are listed below along with a brief explanation as to why the objective was not met.

Targets were not achieved for the following objectives:

- Objective No.: 13 The number of soil disturbance commitments was achieved on 99% of commitments as compared to a target of 100% for 2005 Harvesting. The number of soil disturbance commitments was achieved on 99.9% of commitments as compared to a target of 100% for 2004 Harvesting. Soil disturbance surveys are completed based on risk rating done by logging supervisors at the time of the Operations Inspection, therefore, some of the areas surveyed will be for the previous years' harvesting. The areas where soil disturbance exceeded the maximum were mainly caused by compaction and wide scalps on roadside area (1.3 ha – 2004). Tolko – Nicola has an EMS Program in place to survey high hazard areas and create tasks and procedures to manage the level of soil disturbance on harvested areas. This program has been ongoing since 2001.
- Objective No.: 16 Road maintenance inspections were completed on 92% of items scheduled for completion as compared to a target of 100%. The report also indicates that the Company inspected 150 road segments that were not originally scheduled, but were completed in addition to planned items. The sections of roads not inspected in 2005 have been advanced to inspect in 2006. Road maintenance items were completed on 78% of the items scheduled as compared to a target of 100%. Outstanding action items will be incorporated in the 2006 program. A Process Improvement Form has been completed to ensure CSA Maintenance items are accurately tracked. Maintenance items will now be flagged in the GIS system in conjunction with the inspection.

Significant changes within the DFA during 2005 included:

Forest policy

New waste assessment and billing procedures have removed flexibility around coarse woody debris and wildlife tree/wildlife patch management. If woody material is not explicitly exempted from utilization in licensee plans it is subject to waste assessment and penalty billing. Previously, licensees managed coarse woody debris and wildlife trees/wildlife patches by relying on trained logging crews to identify valuable stand components (i.e. large, decadent wolf trees) and retain them on site during harvest. With the new policy, unless the feature is identified before logging, it is difficult to retain them on site at the time of logging without incurring penalty billing. The result is reduced flexibility to retain significant features that contribute to biodiversity.

2005 SFM MONITORING SUMMARY



More information on how Weyerhaeuser performed against all 35 sustainability indicators, can be obtained by contacting Brian Drobe, Planning Forester, Weyerhaeuser

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Weyerhaeuser Princeton's SFM Performance Highlights: 2005

SFM Plan performance targets were achieved for 35 of 35 indicators relating to the sustainability criteria in the Merritt TSA SFM Plan. The following summarizes highlights of Weyerhaeuser's contribution to the Merritt TSA 2005 Sustainable Forest Management report.



- The harvested area occupied by permanent roads and landings was 3.7 percent of the total area, which is below the 7 percent target and less than the results from previous years (2004 – 3.9%, 2003 - 5.4 %).
- Stand level biodiversity including the elements of individual wildlife tree/stubs and/or wildlife tree patches were achieved on all cutblocks greater than 5 hectares in size.
- Operations involved 45 commitments pertaining to riparian areas and there were no non-conformances.
- 95% of identified priority beetle areas were harvested before the specified critical date.
- Areas achieving free growing achieved this status on an average of 4.2 years earlier than the legally required timeframe.
- Planting occurred on all areas (1448 hectares) prior to the third growing season following harvest.
- Other licensees operating within Weyerhaeuser's Defined Forest Area achieved targets for all indicators involving forestry operations.

2005 SFM MONITORING SUMMARY



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2005 SFM Performance Highlights

SFM Plan performance targets were achieved on all indicators and objectives in the SFM Plan. The following is a performance summary for each of the CSA Criterion:

Conservation of Biological Diversity

- One hundred percent (100%) of the Targets were met.

Maintenance of Forest Ecosystem Condition and Productivity

- One hundred percent (100%) of the Targets were met.

Conservation of Soil and Water Resources

- One hundred percent (100%) of the Targets were met.

Forest Ecosystem Contribution to Global Ecological Cycles

- One hundred percent (100%) of the Targets were met.

Multiple Benefits to Society

- One hundred percent (100%) of the Targets were met.

Accepting Society's Responsibility for Sustainable Development

- One hundred percent (100%) of the Targets were met.

Specific Highlights

A total of 354 hectares representing 100% of areas prescribed for planting were planted within 3 years of harvest commencement.

A total of 173 hectares achieved free growing status prior to the late free growing date. On average, obligations were met 4.18 years earlier than the legal requirements.

The harvested area occupied by permanent roads and landings equaled 2.0% of the total harvest area. This compares to a 7% target.

A total of 50 riparian commitments were managed for in 2005. No riparian related non-conformances occurred in these operations.

A total gross area of 2,244 hectares was harvested in 2005. Soil disturbance commitments were achieved on one hundred percent of this area.

2005 SFM MONITORING SUMMARY



More Information on how BC Timber Sales performed against all 35 indicators can be obtained by contacting Gord Macdonald at the Kamloops Business Area office.

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BC Timber Sales 2005 SFM Performance Highlights: 2005

SFM Plan performance requirements were achieved for 32 of 35 indicators relating to the sustainability criteria in the Merritt TSA SFM Plan being reported on. The following highlights BC Timber Sales contribution to the Merritt TSA 2005 Sustainable Forest Management Plan Report.

- BC Timber Sales was recommended for CAN / CSA Z809:2002 and ISO 14001:2004 third party certification in 2005.
- Seven local contractors harvested 155,646m³ of wood through the Timber Sales program in 2005.
- Extension activities and out reach education, provided by BC Timber Sales, had contact with 107 people from within the community.
- VIAs were completed on 100% of blocks located within known scenic areas, where required.
- No landslide, as a result of harvesting occurred in BC Timber Sales operating areas.
- Blocks were declared, on average, 3.2 years prior to reaching the Late Free Growing date.
- Soil disturbance commitments were met on 100% of Timber Sale areas.
- 100% of the area identified with critical time frames for harvesting, was harvested within the targeted time.

SFM Plan performance targets were not achieved for 4 of 35 indicators relating to the sustainability criteria in the Merritt TSA SFM Plan. Targets were not achieved for Indicator 2, 5, 10, 16 as follows:

- Indicator 2: A riparian non-conformance occurred when a culvert was installed that was smaller than the prescribed size. The pipe was removed prior to spring freshet. No impact to water values and habitat occurred.
- Indicator 5: Seedlings were planted over 10.4ha, that was outside of the approved transfer limits. The area was replanted with stock acceptable to the area and meets the approved transfer guidelines.
- Indicator 10: There was 88.5 hectares that were declared Free Growing beyond the Late Free Growing Date. The late declaration was made due to not amending the site plans by the appropriate timeline. These areas are stocked and no environmental damage has occurred.
- Indicator 16: BCTS conducted 93 of the 94 road inspections planned. BCTS was unable to complete one road inspection due to weather constraints. The inspection has been rescheduled for 2006.

