

Merritt TSA Sustainable Forest Management Plan



Annual Monitoring Report

January 1, 2006 to December 31, 2006

Released, March 2007

Participating Forest Licensees:

Applied Timber Management Ltd. ▪ Ardew Wood Products Ltd. ▪ Aspen Planers Ltd. ▪ BC Timber Sales ▪ 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. ▪ Stu'wix Resources 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 34 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 2006

The following summarizes highlights from the Merritt TSA 2006 Sustainable Forest Management Monitoring Report:

- A total of 4361 hectares in the Merritt TSA achieved free growing status prior to the late free growing date. On average, obligations were met 4.3 years earlier than legally required.
- One hundred percent of soil conservation commitments were achieved on the 10,349 hectares harvested in the Merritt TSA in 2006.
- More than 99 percent of harvest commitments related to catastrophic forest health events were achieved within the critical timeframe. In total, 5921 hectares of timber was salvaged, more than double the figure reported in 2005 (2834 ha).
- Permanent roads and landings accounted for 3.1 percent of the total area harvested in 2006, as compared to a target of 7 percent.
- 107 kilometres of road were seeded during the reporting period. On average, these areas were seeded within 3 months of completed road construction as compared to a target of 12 months.
- Licensees reported a total of 161,239 hectares of draft old growth management areas (OGMAs) within their operating areas. The net OGMA reduction as a result of operations was less than 1 percent (3.2 hectares) as compared to the allowable variance of 5 percent.

5.0 Performance Summary 2006

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 2006 performance results according to CSA criterion is shown below. Indicators with targets that were not achieved have been shown in bold.

Criterion	Related Indicators	Percent Achieved
1. Conservation of Biological Diversity	2, 3, 5, 6, 7, 8, 33, 34	87%
2. Maintenance of Forest Ecosystem Condition and Productivity	3, 5, 9, 10, 36	80%
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	75%
5. Multiple Benefits to Society	16, 18, 19, 20, 21, 22, 23, 25, 26, 29, 30, 31	83%
6. Accepting Society's Responsibility for Sustainable Development	4, 24, 25, 26, 27, 30, 35	100%

Targets were not met for six indicators (2, 10, 15, 16, 17, 21) relating to five CSA criteria during the 2006 reporting period. All but one 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	2006 Performance Level	Percent Achieved
2	334 of 339 riparian commitments achieved.	98%
10	4361 of 4601 hectares met free growing requirements on or before late free growing date.	95%
15	42 of 45 blocks harvested with a watershed ECA greater than 35% had further hydrological assessments completed.	93%
16	1007 of the 1054 road/ structure inspections scheduled were completed during the reporting year.	96%
17	2837 of 2843 hectares scheduled for natural regeneration met regen delay.	99.7%
21	218.8 of 219.6 hectares harvested with lakeshore management commitments conformed to plan commitments.	99.6%

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 (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: 339 of 344 riparian commitments (98 percent) conformed to licensee plans in 2006. Details regarding the 5 non-conformances are outlined below.

One incident occurred when the machine free buffer of an S6 stream was breached by site preparation equipment. Stream bank integrity was not affected and the stream was dry at the time. To address the incident, the licensee has completed a Process Improvement Form.

Another incident resulted from a machine free zone being marked on a non-classifiable drainage rather than the adjacent S6 stream. Harvesting occurred in deep snow following the incorrectly marked drainage. Less than 100m of the S6 stream was disturbed. Debris constrained the channel and diverted natural stream flow. Debris in channel was removed and the natural stream flow was re-established. An environmental incident report was completed and remedial actions taken.

Another incident occurred when high amounts of water in a drainage system eroded 1-2 cubic meters of soil. Water flowed along a ditch-line of a newly constructed road and across a landing. The sediment from the landing traveled along a ditch-line and through a culvert on another road, continuing down an embankment to a S3 stream. To address the situation, the licensee will construct cross drain ditches between the 1000mm pipe down to the junction, to divert water onto the slope in 4-5 different locations. Further follow up will occur in the spring of 2007.

Another incident involved erosion of a road surface and ditch-line resulting in sedimentation of a gully which reached an S2 stream. To rectify the situation, road deactivation obligations were completed in the Fall of 2006.

The final non-conformance occurred due to an absence of waterbars or crowning of a road which resulted in a portion of the road prism slumping into an S6 stream. The slump was fixed and the road repaired during the summer of 2006.

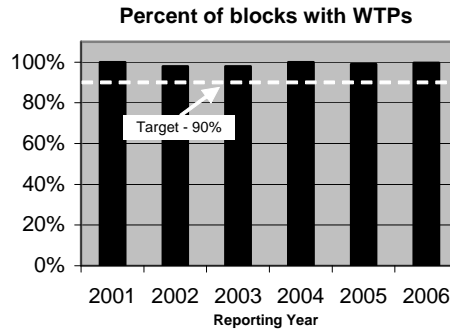


Indicator (2) forms part of the overall strategy to manage for biodiversity at the landscape and stand levels. Riparian management areas provide connectivity of forested cover along waterways, which are generally areas with high value for wildlife habitat and movement.

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: 283 of the 284 cutblocks (99.6 percent) greater than 5 hectares harvested in 2006 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).

Under the Small Scale Salvage Program, ensure that First Nation referral comments or commitments requiring action are carried out by the licensee.

Assessment Results: Licensees achieved 100 percent (193 of 193) of First Nation Forest Development Plan commitments during the 2006 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: One hundred percent (1686 of 1686 hectares) of harvested areas were planted with species ecologically suited to the site.

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 (170 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 Coastal 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 (61 of 61) 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.

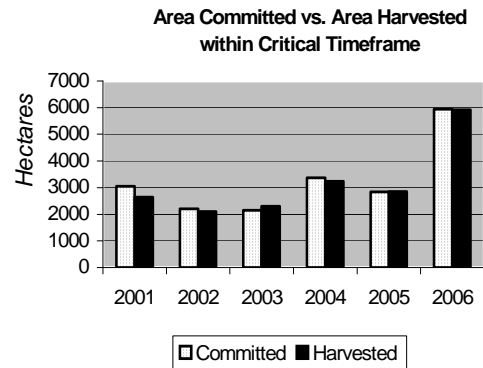
Assessment Results: 17,783 kg of grass seed was applied for the revegetation of roads and right of ways during the 2006 reporting period. One hundred percent of that seed volume was graded Canada #1 or equivalent.

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: 5921 of the 5938 hectares (99.7 percent) committed to harvest due to catastrophic forest health events was harvested within the critical timeframe. 5729 hectares of this volume was attributed to Mountain Pine Beetle and 192 hectares to blowdown. One licensee reported an additional 39 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-five percent (4361 hectares of 4601 hectares) of harvested areas met free growing requirements on or before the late free growing date. The 240 hectares which were declared beyond the late free growing date were resurveyed and declared free growing in 2006.



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 4361 hectares achieved free growing status prior to the late free growing date.

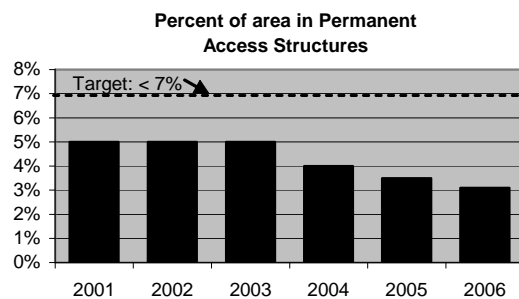
On average, obligations were met 4.3 years earlier than legally required.

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 3.1 percent (313 hectares) of the total area harvested during 2006.



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: One hundred percent of soil conservation commitments were achieved on the 10,349 hectares harvested during the reporting period.

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. Variance 5%.

Assessment Forty-two cutblocks were harvested during the reporting period within
Results: watersheds where the ECA exceeded 35%. Further hydrological assessments were completed for all but three of these cutblocks (7 percent) prior to harvesting. The three blocks which did not have further hydrological assessments were classified as major expedited salvage, where the priority was placed on removing the infested timber as quickly as possible to prevent the spread of beetle to adjacent stands.

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 Ninety-six percent (1,007 of 1,054) of scheduled road/ structure inspections
Results: were completed during the reporting year. One licensee reported that some inspections had not been completed due to flooding in the Tulameen area, and, later in the season, heavy snowfall. Another licensee stated that the missed inspections were of low risk and not completed due to higher priorities. Although, collectively, licensees completed fewer inspections than planned, one licensee reported completing 69 additional unscheduled inspections during the reporting year.

In 2006, 100 percent (349 of 349) of scheduled road maintenance action items were completed.

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-four percent of areas (5679 hectares of 6010 hectares) prescribed for planting were completed within the third growing season from start date of harvest.

2837 of 2843 hectares (99.7 percent) of areas prescribed for natural regeneration with a regeneration expiry date within the reporting period were successfully regenerated. The 6 hectare area that was not successfully regenerated through natural regeneration has been scheduled for planting in 2007.

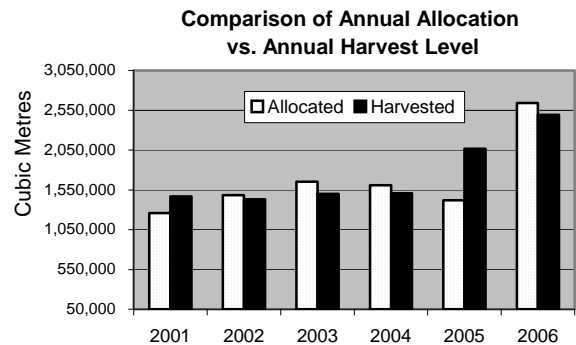


Prompt reforestation will ensure that the productive capacity of forest landbase to grow trees is maintained. Promptness will also aid in providing younger trees a head start against competing vegetation, helping to reduce the need for manual or chemical brushing treatments.

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 2006 was 2,491,690 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 764,024,000 board feet.

The total chip, shavings and hog fuel output from sawmills within the TSA was 784,375 bone dry tonnes.

The total of other forest products output from sawmills within the TSA was 47,270 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 276 days in 2006 with an average of 1.9 shifts a day.

A total of 760 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: 218.8 of 219.6 hectares (99.6 percent) of areas harvested that required management for lakeshore guidelines conformed to plan commitments. A 0.8 hectare area which was located within the lakeshore management zone (LMZ) of a Class C lake did not conform to plan commitments because the Site Plan for the block did not make reference to the LMZ or "commitments to manage lakeshore". However, prescribed activities easily met and exceeded the lakeshore management guidelines for a Class C lake. The licensee has developed a Process Improvement Form to address the situation.

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 100 percent of cutblocks (46 of 46) in known scenic areas.

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/ Forest Stewardship Plan meetings.**

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

Assessment Results: A total of 228 people attended 63 meetings to discuss Forest Development Plans and Forest Stewardship Plans in 2006.

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 2006 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 Plans/ Forest Stewardship Plans.**

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

Assessment Results: Licensees attended 159 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 2006, 908 community people were reached through 52 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/ Forest Stewardship Plan 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 14 written requests from First Nations for the reporting period and 14 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).

Small Scale Salvage licensees will report communication with stakeholders and public that has occurred during the development of their professional submissions. Where these communications result in expressed concerns, these concerns will be addressed in the licence document.

Assessment Results: Licensees responded to 100 percent (13 of 13) of written requests received from stakeholders and the public in regard to Forest Development Plans or Forest Stewardship Plans in 2006.

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

Target: For roads where grass seeding is planned, all cut and fill slope grass seeding application carried out within 12 months of completed road construction.

Assessment Results: 107 kilometres of road were grass seeded during the reporting period. On average these areas were seeded within 3 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.

Maintain the retention of existing or replacement draft old growth management area (OGMA). Variance 5%.

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

In 2006, licensees reported 161,239 hectares of draft OGMA within their operating areas. There was a net OGMA reduction of 3.2 hectares (less than a percent) as a result of operations.

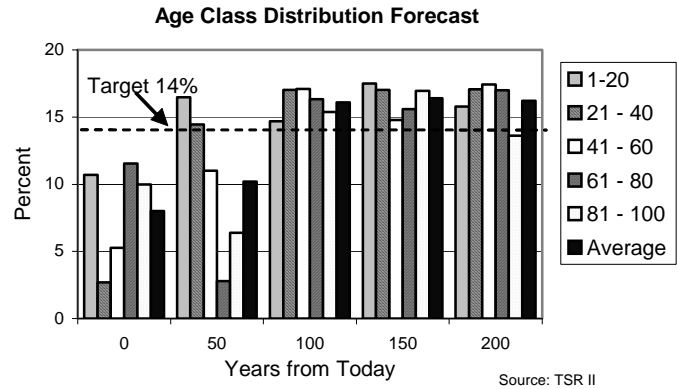
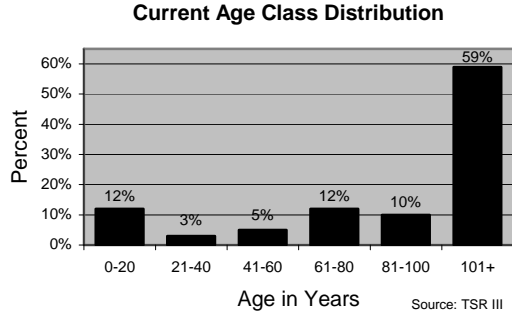
Indicator (34): Forest Age Class Distribution

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 16 surveys distributed to Public Advisory Group members, 8 were completed. Respondents were asked to rate questions on a scale of 1 (Poor) to 5 (Well Done). Ninety-four percent of responses to survey questions ranked “3”(satisfactory) or better.

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 2.6.

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: Based upon inventory data from TSR III, the current Lodgepole pine MAI is 2.18 cubic metres per hectare per year.

Appendix 1

Business Initiatives and Partnerships

Licensee	Business Initiative/ Partnership	Description
Applied Timber Management Ltd.	Nicola Post & Rail	Fibre supply.
	Nicola Valley Pine Furniture	Supply logs for furniture stock.
Ardeu Wood Products Ltd.	Nicola-Pacific Forest Products Ltd.	Joint venture, Forest Licence.
	Pine Ideas	Supply wood for furniture stock.
	Nicola Valley Pine Furniture	Supply logs for furniture stock.
	Nicola Post & Rail	Fibre supply.
	Upper Nicola Forest Corporation	Joint venture consulting firm.
	Stu'wix Resources Ltd.	Log purchase, supply opportunities for operations, supply quota.
	Applied Timber Management	Forest Licence Management
Aspen Planers Ltd.	Qwa'eet Forest Products Ltd.	Forest Licence Management.
	Nicola Valley Custom Logs	Trim block sort business.
	Coldwater Post & Rail	Manufacture and sales of round wood products.
	MWP Cascade	Manufacture and sales of round wood products.
	Stu'wix Resources Ltd.	Forest Licence Management and Log Purchase Agreements.
Princeton & District Community Forest Corporation	Princeton Wood Preservers	Supply of post & rail material.
	Princeton Forest Products	Supply of post & rail material.
Stu'wix Resources Ltd.	Princeton Post & Rail	Sales to "value added" forest product industries.
	Nicola Post & Rail	Sales to "value added" forest product industries.
	Coldwater Post & Rail	Sales to "value added" forest product industries.
Tolko Industries Ltd.	Highland Block Sort	Joint venture providing trim blocks for sorting, chopping and marketing of product through Tolko brokerage (4 th year of partnership).
	Ska-Lu-La	Manufacture of lath and dunnage for community based program for the disabled (8 years in partnership).
	Upper Nicola Indian Band	MoU and contract to manage the Band's Salvage Non-replaceable Forest Licence through a Forest and Range Agreement. The agreement includes a volume of 145,000 m ³ over three years.
	Upper Similkameen Indian Band	Contract tree planting work.

<i>Licensee</i>	<i>Business Initiative/ Partnership</i>	<i>Description</i>
Weyerhaeuser Co. Ltd.	Firemaster Enterprises	Log Trade Agreement/ supply dry wood for firewood.
	Princeton Forest Products	Log Trade Agreement/ SW licence management (35 000m ³).
	Princeton Wood Preservers	Log Trade Agreement/ SW licence management (30 000m ³).
	Town of Princeton	Log Trade Agreement/ SW licence management (20 000m ³).
	Princeton Co-gen	Raw material supply for wood pellets.
	USIB, UNB, LNIB, NTA, LSIB	Services agreement for archaeology related work.

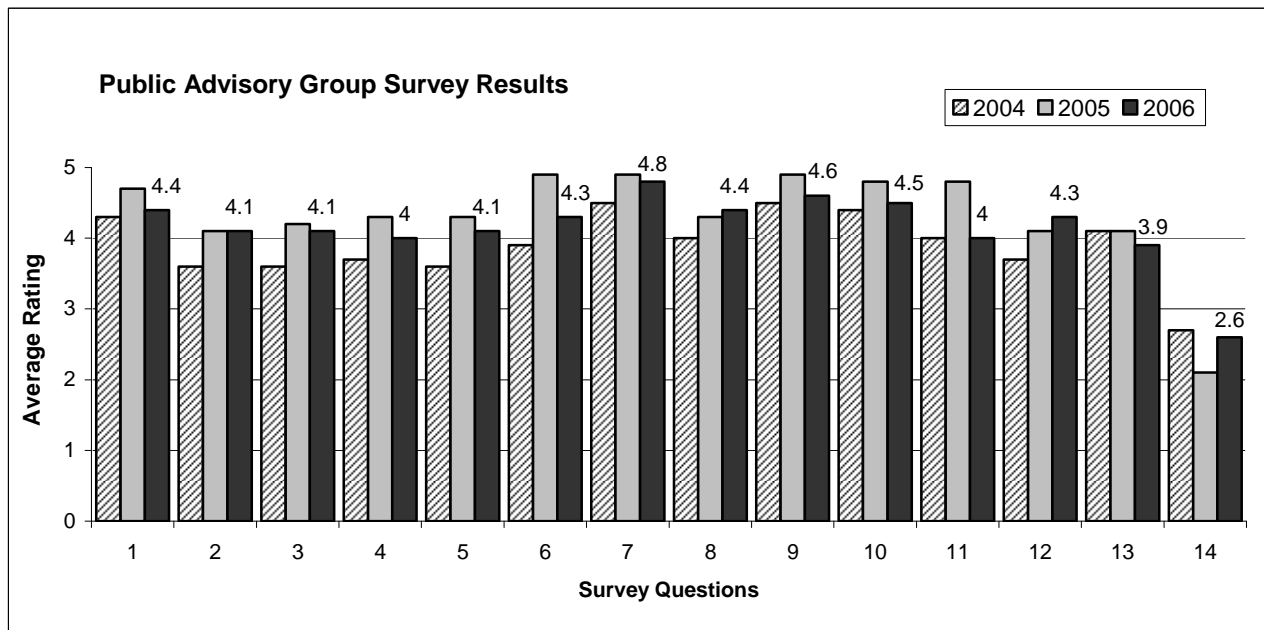
Appendix 2

Advisory Group Evaluation Summary – 2006

Eight members of the Public Advisory Group completed the 2006 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 2006 in comparison with the average response for each question in 2004 and 2005.

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 2006 survey:

1. I think question # 11 is misleading in that nothing happens between meetings that requires communication. Yes, we receive information but it usually is stand alone, not tied to anything that will result in investigating a topic in more depth at the next meeting. Re: Question # 13 - I don't think there are enough meetings to develop/ amend objectives of the SFM Plan. The Plan is licensee driven and hence the vested interest is to change as little as possible. Re: Question # 14 - Representation is better than a year ago, but still has a way to go.
2. Much more input is needed from the public as otherwise it is a conflict of interest. Licensees' interests are seen as self-serving, even though L.P.F's may be trying to support the best interests of the forest rather than seeing it as a plantation.
3. I have only attended two meetings and my understanding of the purpose of the Advisory Group input has improved vastly. I find communication between licensees and non-licensees is good and debates are given proper consideration.

Appendix 3

Licensee Monitoring Summaries

2006 SFM MONITORING SUMMARY



More information on how Tolko performed against all 34 sustainability indicators, can be obtained by contacting Bruce Beech, RPF, Divisional Forester at Tolko.

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- Merritt**

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Photo Taken by Image State, Webshots

Tolko Industries Ltd.'s 2006 SFM Performance Highlights

SFM Plan performance targets were achieved for 31 of 34 indicators relating to the sustainability criteria in the SFM Plan for our Forest Licenses (FL A18696 & FL A74911). SFM Plan performance targets were achieved for 15 of 15 indicators relating to the sustainability criteria in the SFM Plan for our Salvage Non-Replaceable Forest License (SNRFL A75427). The following summary highlights Tolko's contribution to the Merritt TSA 2006 Sustainable Forest Management report:

- There were no non-conformances in Tolko's SNRFL A75427 for the 2006 reporting period.
- 100% of cutblocks greater than 5 ha had associated Wildlife Tree Retention as compared to the target of 90%.
- 99.7% of the areas prescribed for planting were planted within 3 years of harvest, compared to a target of 90 %.
- A total of 685.5 hectares of young forests were in compliance with stocking standards and declared free growing prior to the legally required date. Free growing was achieved on average 4.9 years prior to the date required by law.
- The harvested area occupied by permanent roads and landings was 4.6 % for our Forest License areas and 3.6% for our SNRFL area, compared to the target of 6 %.
- On average, road cuts and fill slopes were seeded or planted within 3 months of completed road construction, compared to a target of 12 months.
- 568 hectares of salvage areas were harvested as compared to the target of 529 hectares. Achieving 107% exceeding the target of 80%.
- 100% retention of net OGMA area as compared to a target of 100%.



More information on how Tolko performed against all 34 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 3 indicators (Forest License Areas). These indicators are listed below along with a brief explanation as to why the indicator was not met.

Targets were not achieved for the following indicators:

- Indicator No.: 2 The number of riparian commitments was achieved on 96% of commitments as compared to a target of 100%.
The machine free buffer of an S6 stream on 603-T15 was breached (5m x 60 m) with site preparation equipment. The stream bank integrity was not affected. S6 stream was dry when the buffer was breached. A Process Improvement Form (PIF) was initiated, reviewed, and completed in our EMS system.
When marking the machine free zones on 127-6 a non-classifiable drainage was marked in error instead of on the S6 stream adjacent. Harvesting occurred in deep snow and followed the incorrectly marked drainage. Less than 100 m of the S6 stream was disturbed. Debris constrained the channel and diverted natural stream flow. Debris in channel was removed and the natural stream flow was reestablished. An Environmental Incident Report (EIR) was initiated, reviewed, and remedial actions were taken.
- Indicator No.: 16 Road maintenance inspections were completed on 97% of items scheduled for completion as compared to a target of 100%.
Due to flooding in the Tulameen area, resources were relocated to the floods for damage/safety concerns. The opportunity to visit the John Burns Road was then missed due to heavy snowfall. This area has been rescheduled for inspection in 2007.
Road maintenance items were completed on 100% of the items scheduled as compared to a target of 100%.
- Indicator No.: 21 The number of hectares requiring conformance to lakeshore management guidelines was achieved on 98% of the area as compared to a target of 100%.
A small area amounting to 0.8 ha in CP 312-D51 is located within the LMZ of a class C lake. The Site Plan for the block did not refer to the LMZ or specific "commitments to manage lakeshore". The prescribing forester was aware that the lake was a classified lake (L1) and knew that the LMZ objectives were achieved in the Site Plan. If the block was closer to the lake or covered a larger area in proximity to the lake, the Site Plan would have incorporated a specific management strategy to address the LMZ. With the current level of encroachment within the LMZ, the prescribed activities easily met and exceeded the lakeshore management guidelines for a class C lake.
We acknowledge that this 0.8 ha area is considered a CSA non-conformance and as a result, we have developed a PIF to address the situation.

2006 SFM MONITORING SUMMARY



More information on how Weyerhaeuser performed against all 34 sustainability indicators, can be obtained by contacting Brian Drobe, Planning Forester, Weyerhaeuser

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Princeton**

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Weyerhaeuser Princeton's SFM Performance Highlights: 2006

SFM Plan performance targets were achieved for 34 of 34 indicators relating to the sustainability criteria in the Merritt TSA SFM Plan. The following summarizes highlights of Weyerhaeuser's contribution to the Merritt TSA 2006 Sustainable Forest Management report.



- The harvested area occupied by permanent roads and landings was 3.4 percent of the total area, which is below the 7 percent target and less than the results from previous years (2005 – 3.7%, 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 43 commitments pertaining to riparian areas. Practices within or adjacent to riparian areas adhered to plan commitments in all 43 locations where this occurred.
- 99% of identified priority beetle areas were harvested before the specified critical date.
- Soil disturbance levels were at or below the committed plan level for all areas harvested.
- Areas achieving free growing achieved this status on an average of 4.3 years earlier than the legally required timeframe.
- Planting occurred on all areas (1243 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.

2006 SFM MONITORING SUMMARY



Aspen Planers Ltd.

FLA18695

FLA55528

FLA75062

FLA65006

&

QWA'EET FOREST

PRODUCTS LTD.

FLA55525

More information can be obtained by contacting
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@

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2006 SFM Performance Highlights

SFM Plan performance targets were achieved on 33 of 34 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 and Enhancement of Forest Ecosystem Condition and Productivity

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

Conservation of Soil and Water Resources

- Eighty-six percent (86%) 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

- Ninety-two percent (92%) 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 1569 hectares representing 100% of areas prescribed for planting were planted within 3 years of harvest commencement.

A total of 681 hectares achieved free growing status prior to the late free growing date. On average, obligations were met 5.2 years earlier than the legal requirements.

The harvested area occupied by permanent roads and landings equaled 2.45% of the total harvest area. {70.8 ha of permanent roads and landings and 2888.2 ha of total gross area harvested} This compares to a 7% target.

A total of 80 riparian commitments were managed for in 2006. No riparian related non-conformances occurred in these operations.

Total Lumber output was 228 million fbm in 360 days of mill production with an average of 2.2 shifts/day.

2006 SFM MONITORING SUMMARY



More Information on how BC Timber Sales performed against all 34 indicators can be obtained by contacting Richard Cooper at the Kamloops Business Area office.

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Kamloops, B.C.
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BC Timber Sales SFM Performance Highlights: 2006

SFM Plan performance requirements were achieved for 30 of 34 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 2006 Sustainable Forest Management Plan Report.

- BC Timber Sales maintained certification to CAN / CSA Z809:2002 and ISO 14001:2004 with third party certification in 2006.
- BCTS licensees harvested 411,015m³ of wood through the Timber Sales program in 2006.
- Permanent access structures occupied 2.8% of total harvested area.
- Extension activities and out reach education, provided by BC Timber Sales, had contact with 330 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, 2.28 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 34 indicators relating to the sustainability criteria in the Merritt TSA SFM Plan. Targets were not achieved for Indicator 2, 10, 15, 17, as follows:

- Indicator 2: 3 non-conformances occurred in 2006. In one, water flowed along a ditch line of a newly constructed road and across an existing landing. The sediment from the landing traveled down to an S3 creek. Cross ditches were installed to move water from ditch across road. Further follow-up to occur after break-up. In another, Water eroded a road surface and ditch line and entered an S2 creek. BCTS completed road maintenance obligations in fall 2006. In final one, a road prism slumped into an S6 creek. Licensee fixed slump and repaired road in summer 2006.
- Indicator 10: There was 240 hectares, in 13 cut blocks 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 free growing and no environmental damage has occurred.
- Indicator 15: There are three blocks in three watersheds where the ECA exceeds 35%. Preliminary ECA calculations have been performed for these, however, no in depth analyses of the watersheds have been done for any of the three. On the ground riparian work has been completed. Results of detailed analysis would not have changed harvesting plan to remove beetle infected wood.
- Indicator 17: 6.1ha in two cutblocks were harvested by small scale salvage in 2002. The SP prescribed planting, but no plans were created. Blocks were discovered during a review of regen obligations in fall 2006. Blocks will be planted in spring 2007.

This report can be located at: <http://www.for.gov.bc.ca/dka/TSA/SustainableForestry.htm>

