The Forest Investment Account (FIA) was established in April 2002 to assist government in developing a globally recognized, sustainably managed forest industry. The Land Base Investment Program (LBIP) is the largest of the seven programs under FIA. Comprised of investments in land base activities, LBIP projects are planned and delivered by licensees and administered through a third party (PricewaterhouseCoopers).

PricewaterhouseCoopers LLP (PwC) was selected by the Ministry of Forests and Range through a competitive tendering process to administer the LBIP program. PwC accepts proposals from licensees, approves projects, and verifies fieldwork and project completion. PwC is responsible for administering and auditing the LBIP in a responsible and efficient manner.

In 2005/06 over $26.6 million was invested in recipients on land base projects in seven eligible program components.

### Land Base Investment Program 2005–06 Overview of Projects Completed

<table>
<thead>
<tr>
<th>LBIP Components</th>
<th># of Projects Completed</th>
<th>$ Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Health Activities (Mountain Pine Beetle)</td>
<td>30</td>
<td>$2,256,490</td>
</tr>
<tr>
<td>Timber Supply Reviews</td>
<td>8</td>
<td>$210,978</td>
</tr>
<tr>
<td>LBIP Eligible Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Information Gathering and Management</td>
<td>318</td>
<td>$12,500,362</td>
</tr>
<tr>
<td>• Stand Establishment and Treatment</td>
<td>74</td>
<td>$5,554,214</td>
</tr>
<tr>
<td>• Restoration and Rehabilitation</td>
<td>94</td>
<td>$2,778,032</td>
</tr>
<tr>
<td>• Strategic Resource Planning</td>
<td>146</td>
<td>$2,719,113</td>
</tr>
<tr>
<td>• Infrastructure</td>
<td>29</td>
<td>$494,185</td>
</tr>
<tr>
<td>• Gene Resource Management</td>
<td>2</td>
<td>$29,614</td>
</tr>
<tr>
<td>• Training and Extension</td>
<td>7</td>
<td>$61,115</td>
</tr>
<tr>
<td>Total</td>
<td>708</td>
<td>$26,604,103</td>
</tr>
</tbody>
</table>

### LBIP Goals and Objectives

The LBIP creates value by encouraging land base planning, accountability and investment. By directly investing in the land base and contributing to the goals of FIA, program investments are expected to improve the forest asset base and support sustainable forest management practices in British Columbia through:

- higher level strategic decision-making and planning
- increased timber volume and value
- increased site productivity
- restored terrestrial, aquatic and riparian environments
- better decision-making information and tools
- infrastructure that protects public safety and mitigates environmental hazards.

The LBIP is an efficient means of investment requiring minimal government involvement. The program provides an incentive for collaboration among licensees, engaging them in the planning, selection, implementation and outcome for eligible forest land base activities in an effort to improve the forest asset base and support sustainable forest management practices within each of the Timber Supply Areas (TSAs) and Tree Farm Licences (TFLs).
2005/06 Investment Highlights

Coast Forest Region

Invested: $7,403,856
Projects Completed: 207

Recipients focused almost $1.8 million of the LBIP expenditures on fertilization projects and over $900,000 under the road deactivation activity. Over $1.6 million was invested in information gathering and management projects focused on resource inventories.

Project Example

Rehabilitation of the Gracie Creek Reach in the Sproat Lake Community Watershed improved salmon spawning habitat and decreased sediment inputs into the Gracie Creek Community Watershed. Riffles were repaired, cut-banks were removed, and unstable or eroded banks were re-stabilized and re-defined. The Gracie Creek rehabilitation project is located in central Vancouver Island west of Port Alberni and is one of the largest basins that drains into Sproat Lake. The project was carried out by Western Forest Products.

“It was very satisfying for me to see this poorly performing system transformed into a functional spawning and rearing area in a single season. It was very exciting to visit the site in October and see adult Sockeye and Coho salmon using the area.”
— Jeff Sandford (Western Forest Products)
2005/06 Investment Highlights

Northern Interior Forest Region

Invested: $10,940,154
Projects Completed: 189

Forest health projects pertaining to mountain pine beetle were concentrated in the Northern Interior Region with over $4 million spent in all forest health-related activity areas under the LBIP. Over $2.9 million was spent on resource inventories including vegetation resources inventories and predictive ecosystem mapping.

Project Example

Helicopter-assisted fall and burn projects were carried out in the Dawson Creek TSA using helicopters to move pre-felled green-attacked mountain pine beetle trees to central burn piles. At green-attack stage the beetles have not yet emerged from the trees to fly and attack neighbouring trees.

Licensees developed this technique to increase efficiency in areas with limited access. Trials have proven that this method of aerial forwarding to centralized burn piles is a more cost-effective direct control measure than dispersing ground crews to hand-fall and hand-pile green attack trees in remote locations.

Based on the success of the West Fraser Mills project, other licensees will be adopting this technique for use in fiscal 2006/2007.

“The innovation shown by West Fraser Mills in developing this methodology has made the impossible possible. Safety, productivity, timelines and costs were all significantly improved.”
— Brian Pate (West Fraser Mills Ltd., Project Manager)
2005/06 Investment Highlights

Southern Interior Forest Region

Invested: $8,260,091
Projects Completed: 312

In the Southern Interior Forest Region, Predictive Ecosystem Mapping (PEM) and wildlife and wildlife habitat mapping projects formed the greatest proportion (almost $1 million each) of projects completed. About $700,000 was invested in the development of sustainable forest management plan (SFMP) objectives or indicators for management units.

Project Example

The Quesnel PEM project is part of one of the most successful, comprehensive inventory initiatives undertaken in the province. By 2008, over 8 million hectares covering almost all of the Quesnel, Williams Lake and 100 Mile House Timber Supply Areas and Tree Farm License 5 will be mapped using the PEM modeled approach to ecosystem mapping.

Existing knowledge of ecosystem attributes, such as soils, water and vegetation, and relationships among them are used to predict ecosystem representation in the landscape and give rise to predictable, mappable units. Ecosystem maps derived from the PEM mapping process can be used for strategic sustainable natural resource management applications such as timber supply analysis, wildlife habitat analysis, biodiversity applications, rare and endangered ecosystem inventories, riparian management area delineations, and archaeological overview assessments.

“Not only does the PEM project have the potential to provide a better estimate of timber productivity than is currently available but its potential to offer natural resource managers with many other tools to better understand and manage much of the biodiversity of the Cariboo/Chilcotin makes it extremely valuable.”
— Ray Coupe (Research Ecologist, Southern Interior Forest Region)

“Overall the project has demonstrated a tremendous cooperative effort between a large group of licensees, government staff and contractors.”
— Nona Phillips (contractor involved in the project since its initiation)
2005/06 LBIP Activities

Top 10 Eligible Activities by dollar value and number of projects within eligible components as of March 31, 2006

- Forest Health
- Fertilization
- Wildlife and Wildlife Habitat Mapping
- Development of objectives
- Vegetation Resource Inventory
- Predictive Ecosystem Mapping
- TEM/VRI Integrated Inventory
- Permanent Road Deactivation
- Terrestrial biological and physical monitoring
- Site Productivity Estimation (including SIBEC)

Summary of Project Funds Completed by Component as of March 31, 2006

- Gene Resource Management
- Information Gathering and Management
- Infrastructure
- Restoration and Rehabilitation
- Stand Establishment and Treatment
- Strategic Resource Planning
- Training and Extension
Overview of Activities

The amount of Land Base Investment Program funding available to recipients for eligible activities in 2006/07 is $35.5 million (an increase from $25.5 million provided in 2005/06). With this in mind, PwC will continue to work closely with the Ministry of Forests and Range and recipients to ensure effective and efficient use of these funds to actively foster sustainable forest management and improve the public forest asset base.

In 2006/07, $3.2 million will be focussed on a fertilization program in those areas most impacted by the mountain pine beetle towards mitigating the impact on the mid-term timber supply and economic effects on communities as well as the provincial tax base.

During a review of the 2005/06 LBIP, a majority of recipients advised that the province was in need of a complete forest resource inventory. Some management units indicated they had insufficient funding under LBIP to consider undertaking a forest resource inventory. Consequently, in 2006/07, approximately $7 million of focussed funding is being directed towards priority forest resource inventories, as well as the development of a provincial strategy that will guide forest resource inventory investments in future years.

The Ministry of Forests and Range, together with program administrators, will work towards increased synergy and efficiency in MoFR programs with the goal of enhancing work on the provincial land base. For example, savings will be sought through a coordinated aerial photography project covering several management units.

Investment Trends

Over the past four years, Land Base Investment Program funding recipients across the province have consistently invested about half of their program funding into the LBIP's Information Gathering and Management component. This includes, for example, vegetation resource inventory, predictive ecosystem mapping, and wildlife mapping activities. These inventory-related projects will continue to be important. Updated and new resource information is a key input towards improved land-use planning and decision-making on the land base.

Regionally, activities that have been showing strong investment over the past years are expected to continue, for example:

- Forest health activities, particularly in the Northern Interior Forest Region, including treatments and activities such as single tree fall and burn. These projects make an important contribution to the mountain pine beetle spread control effort.
- Strategic resource planning activities in the Southern Interior Forest Region, such as developing indicators of sustainability in Sustainable Forest Management Plans.
- Site restoration and rehabilitation activities in the Coast Forest Region, including road deactivation and landslide and gully rehabilitation.

<table>
<thead>
<tr>
<th>LBIP Activity</th>
<th>2006-07 Budget ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LBIP Eligible Activities</td>
<td>35.472</td>
</tr>
<tr>
<td>Forest Health</td>
<td>3.091</td>
</tr>
<tr>
<td>Timber Supply Analysis</td>
<td>0.850</td>
</tr>
<tr>
<td>Fertilization</td>
<td>3.200</td>
</tr>
<tr>
<td>Forest Inventory</td>
<td>7.083</td>
</tr>
<tr>
<td>Total</td>
<td>49.696</td>
</tr>
</tbody>
</table>
Forest Investment Account
Land Base Investment Program
Annual Update 2005/06

For more information contact:

Ministry of Forests and Range
Strategic Policy and Planning Branch
PO Box 9515 Stn Prov Govt
Victoria, British Columbia V8W 9C2

Tel (250) 386-7880
Fax (250) 356-7903

Forest Investment Account Website
http://www.for.gov.bc.ca/hcp/fia/

Land Base Investment Program Website
http://www.for.gov.bc.ca/hcp/fia/landbase.htm

E-mail questions or comments:
http://www.for.gov.bc.ca/hcp/fia/feedback.htm