

# Fort St. John Performance Based Pilot Project

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## Executive Summary

In the spring of 1999, the British Columbia Legislature added Part 10.1 to the Forest Practices Code Act, enabling establishment of pilot projects to experiment with ways to improve the regulatory framework for forest practices. Canadian Forest Products Ltd., Slocan Forest Products Ltd. and Louisiana-Pacific Canada Ltd. welcome the opportunity this legislation provides to introduce new concepts for forest management in BC. These concepts are founded on a strong commitment to environmental responsibility and stewardship of the forest resource.

Canfor announced to its shareholders in April 1999 that it would undertake certification of its forestry operations on TFL #37 (Englewood) and TFL #48 (Chetwynd) to Canadian Standards Association (CSA) and Forest Stewardship Council (FSC) standards by the middle of 2000. Application of certification standards on lands managed under volume based forest tenures, such as those in the Fort St. John TSA, requires further clarification. **Identification of a Defined Forest Area (DFA) under the proposed pilot project, and coordination of forestry planning and operations within the DFA by Canfor and its partners, will enable testing of CSA and FSC certification process within the pilot project area.**

The key element of this proposal is the application of the Canadian Standards Association Sustainable Forest Management (CSA SFM) standard to forestry operations in the western portion of the Fort St. John Timber Supply Area. Under the CSA SFM standard, sustainable forest management can be verified by addressing the Canadian Council of Forest Ministers' (CCFM) six criteria. Local values, goals and indicators to address the criteria will be developed in consultation with a public advisory group. This group will be comprised of sector representatives and government agency representatives who participated in the Fort St. John Land and Resource Planning (LRMP) process, plus representatives of local First Nations. **All major forest licencees in the Fort St. John Timber Supply Area (TSA), including Canfor, Slocan Forest Products Ltd., Louisiana-Pacific Canada Ltd. and the Small Business Forest Enterprise Program (the Project Partners), will participate in application of the CSA standard to forestry planning operations in the western portion of the TSA.** The western portion of the Fort St. John TSA (the Pilot Project Area) is identified as that area of the TSA located west of the Alaska Highway. The Pilot Project Area is approximately 1.56 million hectares and will be the site of a combined annual coniferous and deciduous harvest of approximately 620,000 cubic metres, or 4% of the Prince George Forest Region allowable annual cut.

An essential component of the certification process is third party verification of stated performance. External validation of forestry practices is an important discipline for the project partners and is also a valuable way for the public to gain confidence in our performance. However, voluntary validation processes are often a duplication of inspection processes traditionally undertaken by government agencies.

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Furthermore, many of BC's review and approval processes are redundant in situations where licencees have implemented voluntary management systems to meet established registration standards. **Under the pilot project, the project partners propose to replace a series of legislated or regulated forest management and operational processes with internally developed processes that focus on achievement of externally driven objectives and targets.** In so doing, we hope to foster change in culture from the current prescriptive atmosphere to one that encourages innovation and creativity.

Canfor will assume a leadership role in the pilot project because it is the primary coniferous licensee in the Fort St. John TSA (78% of the coniferous Allowable Annual Cut) and has considerably more experience in the TSA than the other licensee partners.

Canfor and its partners will produce a forest management plan as the product of input from the public, government agencies, First Nations and industry toward establishment of values, goals and indicators to address CSA sustainability criteria. The forest management plan, along with approved higher level plans, the approved LRMP, The Graham River Integrated Resource Management Plan, Landscape Unit Plans and other land use plans will provide general management direction for forestry operations in the Pilot Project Area. The Project Partners propose that a single integrated Forest Development Plan (FDP), including identification of five or more years of proposed operations for each major tenure holder, be prepared jointly by the participants. **The FDP, once approved by the Forest Service District Manager, will lead to issuance of cutting permits, timber sale licences and road permits identified under the plan for a designated period. We propose that no other approvals be required under the FPC or associated regulations, provided operations are consistent with the spirit and intent of the forest management plan, the FDP and the criteria identified in the pilot project enabling regulation(s).**

Forestry operations conducted under the approved FDP, including planning, silviculture, road construction, road maintenance, forest health activities and harvesting, will be consistent with Canfor's recently developed Environmental Management System (EMS). This system considers the significant aspects of the company's forestry operations and applies management controls to address-identified risks and meet legal requirements. Canfor's EMS, including that proposed for the pilot project, has been designed to comply with, and will be accredited under, the ISO 14001 standard.

Canfor has recently developed a series of forestry principles that will provide the foundation for the company's policies, strategies and operating procedures at all its operations. The principles are based on ecosystem management and will lead to application of the best science available to balance environmental, social and economic considerations in the management of the forest resource. **Canfor's Forestry Principles will be implemented and applied under the Fort St. John pilot project, in part, through application of the province's landscape unit planning strategy.**

Despite the existence of Forest Renewal BC (FRBC), investment for the long-term management of BC's crown forests lags behind that being made in many other jurisdictions in Canada and the rest of the world. Canfor and Slocan have recognized the advantages of a simply administered, focussed investment program and have worked diligently with FRBC to develop Multi-Year Agreements to address this need.

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The result has been successful implementation of numerous silviculture and resource inventory programs under a greatly simplified administrative environment. However, the level of investment in many important programs is still insufficient. The Project Partners will address the need for increased investment in forest inventory, research and enhanced silviculture in the Pilot Project Area by proposing a greater commitment of investment funds in the area by FRBC. Investment planning will be the responsibility of the Project Partners in consultation with FRBC and the public advisory committee, applied through the forest management plan and Forest Development Plans. Although this funding is necessary to improve local timber and non-timber forest inventories and the productivity of the forest land base, it is not a necessary pre-requisite for the Project Partners to proceed with the pilot project. Canfor has made a commitment to certification of its forestry operations, and as proponent of the pilot project, is willing to commit resources to the pilot in the long term, for future benefits.

First Nations within the Fort St. John TSA are signatory to Treaty Number 8, and unlike most BC First Nations, they are not participating in the BC treaty process. While Treaty Number 8 explicitly provides protection for traditional hunting, fishing and trapping activities, Treaty 8 First Nations' declare that the Treaty has not provided ample opportunity for their membership to participate in resource-based economic activities. Unsuccessful consultation processes between First Nations, government and industry representatives have manifested the situation. In 1998, BC's Oil and Gas Commission signed Memoranda of Understanding (MOU) with several Treaty 8 First Nations to facilitate consultation between the government and the particular First Nation on proposed oil and gas sector activities. The Project Partners propose that government enter into similar consultation protocol agreements with Treaty 8 First Nations to facilitate consultation on proposed forestry activities under the pilot project.

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## Pilot Project Rationale

In his remarks to the shareholders at the 1999 Annual General Meeting of Canfor Corporation, David Emerson, President and Chief Executive Officer laid out the fundamental “pillars” of the company’s strategic plan<sup>1</sup>. Foremost among those was an emphasis on the company’s core business, namely production of northern premium pulp and high quality lumber products. The company’s strong reputation as a consistent, reliable supplier of these products has led to formation of long term customer relationships with several of the largest European paper manufacturers and North America’s largest retail “home centre” chains. These relationships secure important growth markets and help assure Canfor’s strong position in the global marketplace.

Increasingly, customer attention in forest products markets is being directed toward environmental issues. Customers in European pulp markets and more recently in the retail lumber sector are demanding that suppliers have reputations as good environmental performers. In response to this demand, and as a means to solidify its tradition of responsible environmental stewardship, Canfor has committed to certification of its forestry operations. By the end of 1999, the company’s environmental management system, in place at all its forestry operations, will be subjected to accreditation audits under the ISO 14001 standard. By the middle of 2000, the company’s area based tenures in BC and Alberta will be eligible for registration under the Canadian Standards Association and Forest Stewardship Council standards. Given the idiosyncrasies of BC’s volume based tenures, in particular the absence of a “Defined Forest Area” in many of the locations the company conducts forestry operations, it has delayed CSA and FSC certification activities in areas where it holds Forest Licenses until an acceptable approach is clarified. This situation also applies to the other project partners, as holders of deciduous pulpwood agreements and/or forest licenses and timber sale licenses. The Fort St. John pilot project provides the Project Partners with the opportunity to test an internationally recognized forest management system, applied under a variety of forest tenures, across a significant portion of a Timber Supply Area.

As a consequence of implementing an environmental management system under ISO 14001, forest managers are duplicating many processes that have historically been undertaken by government agencies. For example, companies endeavoring to obtain certification of their forestry operations need to have systems in place to ensure compliance with existing laws, implement measures to recognize and reduce environmental risks, and commit to continual improvement and prevention of pollution<sup>2</sup>. These systems include numerous monitoring and audit activities, followed by mandatory application of mitigation, remediation and improvement strategies to address failures, accidents or weaknesses. Given the all-inclusive, obligatory nature of these systems, the application of traditional agency approval and reporting requirements is increasingly a redundant activity, with little value derived for the public or industry. A major emphasis in the Fort St. John pilot project proposal is placed on identifying and eliminating unnecessary administrative processes in forestry operations, in particular those related to agency approvals. We envision the role of government agency representatives will change from that of *supervisor and enforcer* to one of *partner* with respect to forestry planning. In our opinion, this change in role will help drive a change in agency focus from *process* to *results*.

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<sup>1</sup> Annual General Meeting of Canfor Corporation, April 20<sup>th</sup>, 1999

<sup>2</sup> ISO 14001 Environmental Management Systems-Specification with Guidance for Use, 1996

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In 1995, a task force comprised of senior representatives from BC government, industry, labor and academia was struck to develop recommendations for a BC forest management strategy. The task force visited four forestry operations recognized for excellence in forest management as the basis for its recommendations. In its report to the BC Forest Sector Strategy Committee<sup>3</sup>, the task force identified characteristics that were common to the visited operations.

1. *Although the size of the forest area varied, all planning processes observed by the group were structured around and driven by a powerful forest information system. The focus was on gathering data useful to the local forest manager in decision making.*
2. *At each operation, one local forest manager had clear accountability for forest management and results on the ground. The database for each forest was in the local office and used extensively by line managers.*
3. *At all sites visited, in the area of silviculture, the consistently observed practice was to optimize the biological and economic potential by replanting as soon as possible after harvesting...*
4. *All sites visited evidenced a dynamic, positive, adaptive culture open to new ideas and responsive when expected results are not being achieved.*
5. *There is considerable evidence that more private investment in forest management occurs where there is greater certainty that the benefits of that investment will be realized by the party making the investment – i.e. on land with more secure, long term tenure contracts or on privately owned lands.*
6. *Superior forest management was also observed to occur on tenures that are area – based rather than volume – based. The visits also confirmed that enhanced forest management also thrives in an atmosphere of cooperation and support between government and industry.*

The task force report ultimately led to initiation of the Enhanced Forest Management Pilot Project process, under which four individual pilot projects have been approved. Each of these projects proposes to implement management strategies to emulate some of the characteristics listed above. For example, Babine Forest Products Co., in its proposal for an Enhanced Forest Management Pilot Project, discussed the six findings of the task force.

*The Forest Sector Strategy Committee accepted all of the above six findings. Babine will deliver on items 1 through 4 and will continue to maintain good working relationships with government agencies. It is expected that the Government of BC will also address items 5 and 6.*

*It is clear that items 5 and 6 are policy issues. Nevertheless, the report of September 1995 and the prior field visits clearly showed that these two issues have a major impact on enhanced forest management and should be addressed.<sup>4</sup>*

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<sup>3</sup> A Forest Management Strategy and Action-Plan For British Columbia, September 1995

<sup>4</sup> Babine Forest Products Company Enhanced Forest Management Pilot Project, March 1997

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The Project Partners propose to apply the latitude provided under Part 10.1 of the *FPC Act* to emulate the full range of characteristics listed in the *Task Force Report* under the Fort St. John pilot project. As with the Enhanced Forest Management Pilot Projects, there will be a strong emphasis on identifying and committing to measurable deliverables. Given the significance of pilots under these programs, it is essential that deliverables provide for broad application, in both the short and long term.

The Project Partners recognize that society's attitude about the value of forests has changed. Whereas, forests were once valued mostly in economic terms, their value now is often expressed as a function of the social benefits they provide. In BC, public policy has evolved in response to this changing attitude through the application of constraints on the industrial use of forests. These constraints have been introduced to conserve or protect a range of non-timber values through a prescriptive set of regulations, designed to limit the impact of timber management. They are typically directed toward stand-level operations and often have no scientific basis. Ironically, although the motivation for invoking constraining regulation is usually a desire for more environmental protection, socially driven regulation often impedes ecologically based, landscape level approaches.

Earlier this year, Canfor committed to implementation of ten forestry principles, upon which the company's forest management strategies, policies and operating procedures will be based<sup>5</sup>. The foundation for these principles is a commitment to ecosystem management, and recognition of the importance of natural processes in forest ecosystems. The principles also recognize that environmental sustainability is a balance of social, economic and environmental factors and, in so doing, they mirror the preamble to the Forest Practices Code. The Fort St. John pilot project will provide an opportunity to test and prove the acceptability of ecosystem management philosophies in meeting the public's objectives for sustainable use of the boreal forest.

The first phase of BC's forest action plan to stabilize and modernize the forest sector included the Cost Driver Initiative (CDI), a joint Ministry of Forests, Ministry of Environment, Lands and Parks and industry project. The objective of the CDI is to achieve a working environment within which timber extraction; forest management and environmental objectives are implemented in the most cost effective way possible. It was hoped the project would result in improved government and industry efficiencies, removal of redundancies, and streamlined operations. Ultimately, a target of \$5.00 per cubic meter in cost savings was set provincially. While the project has realized some modest successes toward reducing administration costs, many of the proposals with significant cost saving potential have been unachievable because they require legislative or regulatory change to be effective. Understandably, government and its managers are reluctant to make such forest policy changes without fully understanding the implications on a provincial level. There is a need for testing of contentious cost reduction initiatives prior to implementing them across the province. The performance based pilot project legislation provides the opportunity to apply and test many of the proposals identified in the CDI, in a relatively low risk environment. The Fort St. John area is particularly suited to test these applications because of the existing cooperative relationship between industry and government, and the absence of any significant environmental issues within the operating area.

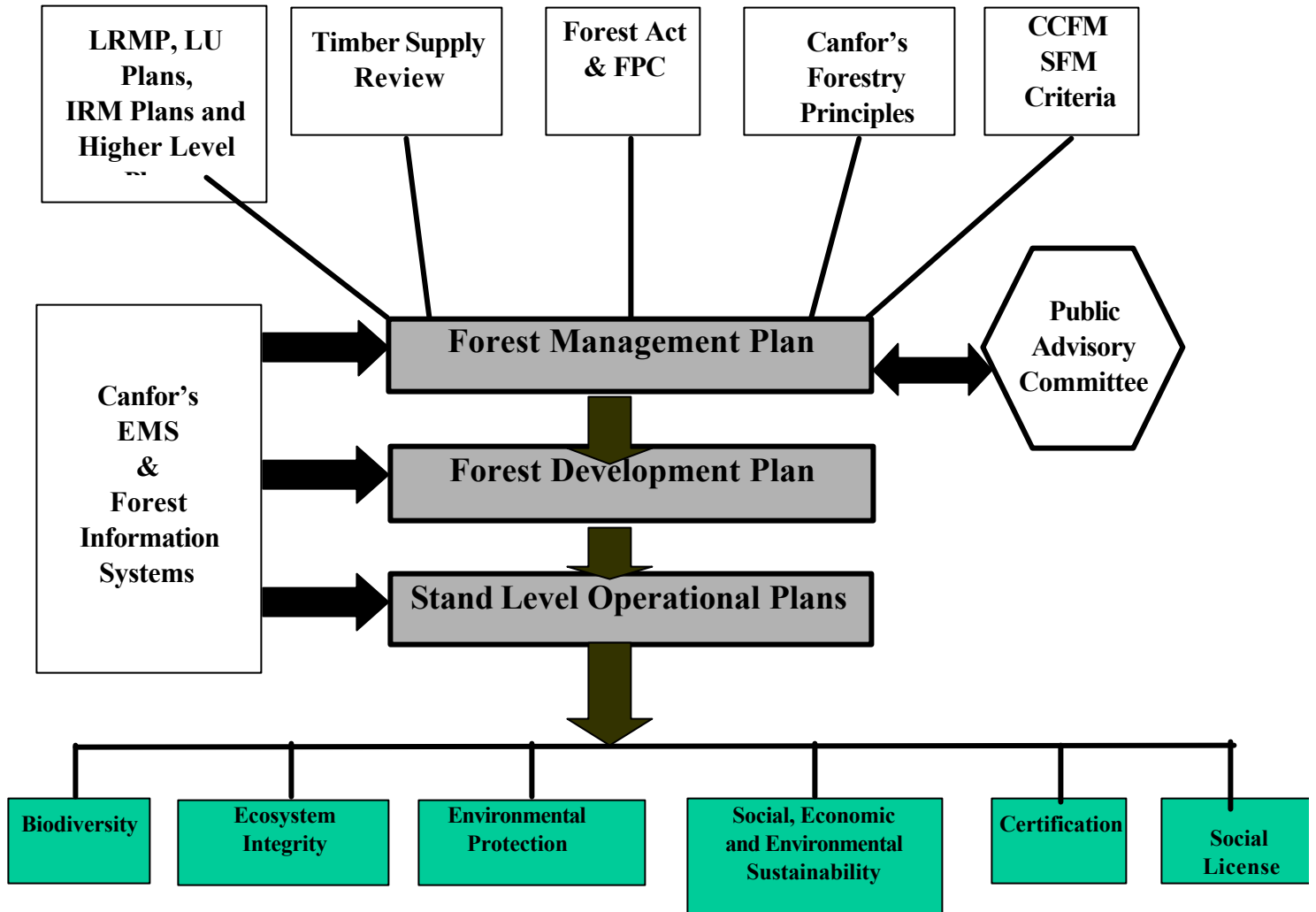
Table 1 illustrates the source of planning inputs that will be utilized in the preparation of strategic and operational plans under the Fort St. John pilot project, as well as the range of outputs resulting from implementation of plans.

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<sup>5</sup> *Canfor's Forestry Principles*, June 1999

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**Table 1**  
**Pilot Project Planning Inputs and Outputs**



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## Proposed Pilot Project Area

The proposed pilot project area is indicated on the map on the following page. The area is described as that portion of the Fort St. John TSA located west of the Alaska Highway. It is approximately 1.56 million hectares in size and will contribute approximately 400,000 cubic metres of coniferous volume and 220,000 cubic metres of deciduous volume to the TSA annual harvest. This volume represents about 4% of the Prince George Region AAC.

The pilot project area contains ecosystems that are representative of those found in the remainder of the Fort St. John TSA. The area contains a large proportion of mixed wood and height class 2 pine stands that present unique management challenges identified during the most recent timber supply review. These challenges will be addressed proactively by the project partners under the pilot project.

The pilot project area includes a portion of the Muskwa-Kechika Management Area. This area carries a legislated requirement for coordinated natural resource management that can be accommodated under the proposed forest management system. The pilot project area also includes the Graham South Resource Management Zone, which has been nominated as a special management zone pilot.<sup>6</sup> A number of the initiatives proposed for Graham South in Canfor's submission to the Prince George Interagency Management Committee, such as a stakeholder advisory group, have recently been initiated. The Project Partners propose to incorporate activities proposed for the Graham South Special Management Zone pilot in the performance based pilot project.

The West Moberly First Nations and the Halfway River First Nation have declared the western portion of the Fort St. John TSA as traditional territory. The Prophet River Band also claims a small portion of the northern most reaches. All three First Nations are signatory to Treaty 8 and have recently demonstrated willingness to participate in forestry planning activities. For example, West Moberly has committed to enter into a joint venture agreement with Canfor to manage Forest License A56771 and Halfway River has participated on the Graham River IRM committee. Despite the existence of a number of controversial issues within the pilot project area, the partners are confident that the planning processes envisioned under the pilot will facilitate improved relationships between First Nations and forest licencees. For instance, the current issues regarding proposed operations in the Cypress Creek area will be addressed more constructively through implementation of landscape level planning under the pilot than by focussing on individual stand level prescriptions.

A portion of the proposed Pilot Project Area, known locally as the Tuzdah, is currently subject to a Treaty Land Entitlement Claim. The Project Partners will adhere to the advice of government regarding management of this area while the claim is being investigated.

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<sup>6</sup> *Proposal For Selection of Graham South SMZ As A Special Management Zone Pilot*, November 30, 1998

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### AAC Apportionment

The allowable annual cut apportionment for the Fort St. John TSA is indicated in Table 2.

**Table 2**  
**AAC Apportionment for the Fort St. John TSA**

Tenure	Conifer Volume	Deciduous Volume	Total Volume	Tenure Holder
FL A 18154	704,793		704,793	Canfor
FL A 56771	150,000		150,000	Offered Canfor/West Moberly
FL A 60049		193,000	276,494	Offered Louisiana-Pacific
FL A 60972	83,494			Offered Louisiana-Pacific
FL A60050		119,300	119,300	Offered Louisiana-Pacific
<b>Totals</b>	<b>938,287</b>	<b>312,300</b>	<b>1,250,587</b>	
PA 12		500,000	500,000	Slocan
PA 13		18,000	18,000	Louisiana Pacific
<b>Totals</b>		<b>518,000</b>	<b>518,000</b>	
<b>SBFEP</b>				
NRFL	70,000		70,000	Not awarded
Sec 20	77,218		77,218	Regular TSL's
Sec 20		180,000	180,000	Regular TSL's
FS Reserve	11,000	9,000	20,000	Forest Service Reserve
<b>Totals</b>	<b>158,218</b>	<b>189,000</b>	<b>347,218</b>	
Woodlots	17,904	15,000	<b>32,904</b>	
<b>Grand Totals</b>	<b>1,114,409</b>	<b>1,034,300</b>	<b>2,148,709</b>	
<b>TSR Totals.</b>	<b>1,100,000</b>	<b>915,000</b>	<b>2,015,000</b>	

**NOTE:** FL 60050 is comprised of an undercut volume and will not be sustained.  
FL 60972 contains an undercut volume of 14,409m<sup>3</sup>/yr which is not sustainable

At this time, management activities within the Fort St. John TSA have only been carried out under FL A18154, PA 13, the Small Business Forest Enterprise Program and the woodlot program. However, Louisiana-Pacific and Slocan have announced intentions to initiate activities under their tenures within the next five year period.

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Following are estimated annual harvest levels from the proposed pilot project area over the next five years for each of the project partners.

<b>Canfor</b> (FL A18154 & FL A56771) Note: West Moberly First Nations are Partners on FL A56771	<b>350,000 m<sup>3</sup></b>
<b>Slocan</b> (PA 12)	<b>0 m<sup>3</sup></b>
<b>Louisiana-Pacific</b> (PA 13, FL 60049, FL 60972 & FL 60050)	<b>200,000 m<sup>3</sup></b>
<b>SBFEP</b> (all categories)	<b><u>70,000 m<sup>3</sup></u></b>
<b>Pilot project area total</b>	<b>620,000 m<sup>3</sup> average annual harvest</b> (4% of Prince George Region)

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## Canfor's Forestry Principles

In the fall of 1998, David Emerson, Canfor's President and Chief Executive officer, requested that a task force be formed to develop principles that would guide the management of Canfor's tenured forests into the next century. The task force was directed to use the best science available in the development of the principles and to balance environmental, social and economic considerations in their recommended approach.

The task force was made up of Canfor foresters, Canfor marketing representatives, an ecologist, a habitat biologist and a representative of the value added manufacturing industry. An additional, expert review panel was formed to provide advice to the task force and review draft documents. The expert review panel was made up of representatives from the academic community, environmental groups, First Nations, the research community, and the wood products retail sector.

The task force toured most Canfor operations as well as operations of recognized forest management leaders in western Canada and the northwestern United States. Information gathered from these visits, along with discussions with the expert review panel, provided the background for a number of drafts outlining possible directions Canfor could take.

The foundation of the forestry principles is a reliance on ecosystem management to provide the base for all Canfor's forestry planning. An essential element of Canfor's approach to ecosystem management is the establishment of an ecological baseline and the determination of range of natural variation that could occur without human intervention in each of the ecosystems the company operates. Economic and social factors are then applied and projected into the future in order to determine a range of possible outcomes, or future forest conditions that might result. Next, management strategies are applied to achieve a chosen outcome. Ongoing checking is done to ensure the process is on course, and if not, changes to management strategies or practices are implemented.

During the development of the Forestry Principles, Canfor realized that their successful implementation would require new arrangements with its landlords. David Emerson addressed this need in his letter attached to the Principles document.

*Ultimately, we must move from administrative, regulator-driven forestry to results based approach. Our foresters must be liberated to apply their professional skills, knowledge and creativity to achieve high standards of forest and environmental management in the most technologically advanced and efficient way.*

As initiators of the Fort St. John Performance Based Pilot Project, Canfor and its partners will apply Canfor's Forestry Principles to the management of the forests in the Fort St. John TSA. This will result initially in the implementation of Landscape Unit Planning across the Pilot Project Area, in a staged approach, followed by establishment of focused adaptive management programs.

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This will require networking with MOF and MoELP Regional staff, and representatives of industry, government and academic institutions involved in similar programs in BC and Alberta. For instance, Slocan is involved in a comprehensive mixed wood management research project in the Fort Nelson area, and Canfor is partnering with Daishowa-Marubeni International Ltd. and others on an ecological research project in northern Alberta.

The development of strategies for the management of mixed wood stands and effective coordination of coniferous and deciduous forestry activities in the Fort St. John TSA will be among the most important tasks undertaken by the Project Partners. Coincidentally, Canfor and other licencees with “embedded” are also addressing these issues in Alberta, overlapping tenures. For instance, Canfor holds a coniferous, area based Forest Management Agreement (FMA) in the Grande Prairie area and Tolko holds an overlapping volume based deciduous tenure. In the Peace River area, Canfor holds a volume based coniferous tenure on Daishowa-Marubeni’s deciduous FMA. Many Alberta operations have committed to implementation of ecosystem based management and certification under CSA and FSC, and are therefore on an identical path as that proposed in the Fort St. John pilot project. Despite the regulatory differences between Alberta and BC, there will be significant opportunities to share ecological information, planning methodologies and operational trial results. Government agencies may also benefit from the opportunity to compare administrative regimes in the two provincial jurisdictions, under similar biogeoclimatic conditions.

Application of social and economic factors to the ecological base under the pilot project will be accomplished partly through communication with public stakeholders in a round table forum, similar to the land use planning model used successfully by the Fort St. John LRMP. Many contributors to the LRMP will be encouraged to participate in the pilot project focus group. Their participation will help ensure the Forestry Principles are applied in a manner that is consistent with the objectives of the LRMP.

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## Development and Implementation of a Sustainable Forest Management System (SFMS)

In 1996, Canada adopted the Canadian Standards Association Sustainable Forest Management (CSA SFM) system as the country's forest management standard. This standard is based on the Canadian Council of Forest Ministers' (CCFM) criteria, adapted from the Montreal Process, an international agreement on the definition of sustainable forest management. The province of BC is a signatory to the six criteria of the CCFM.

- Conservation of Biological Diversity
- Maintenance and Enhancement of Forest Ecosystem Condition and Productivity
- Conservation of Soil and Water Resources
- Forest Ecosystem Contributions to Global Ecological Cycles
- Multiple Benefits to Society
- Accepting Society's Responsibility for Sustainable Development

Forest companies applying for certification establish local values, goals and indicators to a defined forest area (DFA). The indicators are measurable features that show whether the six CCFM criteria are being met. Local indicators are developed through an extensive public participation process.

The three main components of CSA approval are:

- Commitment to sustainable forest management through appropriate policy,
- Public participation in the development and implementation of the criteria and indicators, and
- Established management systems for planning, review and continual improvement.

The goal of the CSA SFM is to conform to the CCFM criteria by developing measurable indicators that reflect local sustainable forest management practices.<sup>7</sup> The Fort St. John Project Partners propose to apply the CSA SFM standard to the Pilot Project Area and submit to third party audit by an accredited certifier. If successfully applied, the CSA SFM standard will verify the forests in the Pilot Project Area are being managed in a sustainable manner, therefore meeting the objectives of the Forest Practices Code as identified in the preamble.

The three components to CSA approval identified above will be addressed in the pilot project as follows:

- Commitment to sustainable forest management will be provided through the policy statements of each of the project partners. For instance, Canfor's commitment will be provided through Canfor's Forestry Principles and Canfor's Environmental Policy.
- Public participation will be through a pilot project focus group comprised of local sector representatives. Many of the sectors that provided representatives at the LRMP planning table will be represented, including environmental groups, local government, MOF District and Regional staff, MoELP regional staff, guides, trappers etc. Local First Nations will also be invited to participate as members of the pilot project focus group despite their refusal to participate in the LRMP process.
- The Project Partners will adopt and implement components of Canfor's recently developed Environmental Management System (EMS) in carrying out operational activities

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<sup>7</sup> ABCPF Forum, July/August 1998, paper contributed by Sandy Lavigne, Western Forest Products

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such as planning, road construction, harvesting and silviculture. The EMS will comply with the ISO 14001 standard and will be compatible with the CSA SFM standard. The ISO standard includes a commitment to provide evidence of continual improvement. Implementation of the EMS will also include a commitment to third party audits. Examples of Management System Procedures (MSP), Standard Operating Procedures (SOP) and Work Instructions (WI) from Canfor's EMS are included as Appendix 3. A fundamental aspect of Canfor's EMS and the CSA SFM standard is declaration by the participants that they are accepting accountability for their commitments. Various roles and the persons responsible for fulfilling those roles are identified in the EMS systems and procedures. In accordance with the *Foresters Act*, pilot project activities that fall under the definition of "practice of professional forestry" will be undertaken by, or under the direction or supervision of "professional foresters". Identifying professional foresters as accountable for work they do in that capacity is consistent with the position of the Association of British Columbia Professional Foresters (ABCPF). The ABCPF has encouraged government and industry to place a greater reliance on professional judgement and accountability in the preparation of operational plans than has formerly been customary.<sup>8</sup>

The Project Partners commitment to the CSA SFM standard will be verified in a pilot project management plan. The plan will include a comprehensive list of indicators and objectives for the Pilot Project Area. Objectives will be clear, specific statements of expected quantifiable on-the-ground results to be achieved within the pilot project area over a defined period of time. The scale of these objectives (i.e. over a large land base, for a period spanning one or more years) will allow the Project Partners to apply many of the current BC standards and guidelines while adapting innovative approaches to forest management to address site specific issues. The criteria and objectives can be referenced in the pilot project enabling regulation(s) and therefore will enable government to assess the results of forest practices carried out on the ground in relation to stated measurable objectives.

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<sup>8</sup> *A guide to the effective application of professional discretion under the Forest Practices Code*, Association of BC Professional Foresters Workshop, May 12, 1998

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## Proposed Planning Processes

Table 3 indicates proposed changes in planning processes under the pilot project. The project partner licencees currently are obligated to prepare and submit silviculture prescriptions under the *Forest Practices Code Act* and the regulations. Silviculture prescriptions must be reviewed by Ministry of Forests staff prior to receiving approval by the District Manager. Under the pilot project, silviculture prescriptions and other stand level plans will be prepared by the Project Partners, but only the Forest Development Plan will require approval by the District Manager. The District Manager's staff review of the Forest Development Plan will provide opportunity for the government to fulfill its fiduciary obligations to consult with First Nations on the proposed plan. The Project Partners encourage government to enter into Memoranda of Understanding with affected First Nations that will clarify consultation processes in the Pilot Project area. The MoU's between the Oil and Gas Commission and several Treaty First Nations can provide a useful template.

Under the current legislative structure, cutting permits and road permits provide essential legal authority to undertake activities on crown land and therefore, should remain as a component of the pilot project administrative regime. However, we believe these permits, complete with Schedule "A" maps, can be issued by the District Manager based on information provided by the Project Partners in the annual forest development plan submission. The FDP submission can also facilitate all necessary referral processes and eliminate the need for referrals on stand level activities. The Project Partners will continue to notify affected third party stakeholders prior to commencing operations.

Stumpage appraisal information typically accompanies permit applications under the current planning regime, but would not be tied to the issuance of cutting permits and road permits under the pilot project. The current stumpage appraisal system is overly complicated and time consuming for both industry and government and often delays on-the-ground activities. This leads to greater management uncertainty, reduced work windows and increased production costs. The separating of permit issuance from appraisal processes will enable more certainty for the licensee partners. Should the pilot project provide opportunities to simplify appraisal processes, the Project Partners will work toward implementing change. For instance, "blended appraisals" for the proposed annual harvest volume, resulting in a quarterly stumpage rate for each licence, may be an option.

The preparation of management plans is currently at the discretion of the District Manager under the terms of Forest License and Pulpwood Agreement documents. Under the pilot project, management plans will be the vehicle for establishment of strategic objectives with input from the public, government agencies and First Nations.

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**Table 3**  
**Comparison of Planning Documents for Pulpwood Agreements and Forest Licenses -**  
**FPC Legislative Regime versus Proposed Pilot Project Regime**

Plan or Submission	FPC Legislative Regime		Proposed Pilot Project Regime	
	Plan or Submission Required?	DM Review & Approval Required?	Plan or Submission Required?	DM Review & Approval Required?
Management Plan	No	N/A	Yes	No
Forest Development Plan	Yes	Yes	Yes	Yes
Silviculture Prescription	Yes	Yes	Yes	No
Logging Plan	No	N/A	Yes (internal)	No
Cutting Permit Application (FLs)	Yes	Yes	Yes (with FDP submission)	Yes
Timber Sale License Application (PAs)	Yes	Yes	Yes (with FDP submission)	Yes
Road Permit Application	Yes	Yes	Yes (with FDP submission)	Yes
Stumpage Appraisal Data	Yes	Staff review and approval only	Yes	Staff review and approval only

The management plan, and all operational plans prepared under the pilot project, will be readily available to government agencies in digital form via permanent access to *Canfor's Forest Information System*. Additionally, Canfor's Environmental Management System imposes a requirement for timely and accurate activity updates, thereby ensuring credible data maintenance for audit or inspection purposes.

# Fort St. John Performance Based Pilot Project

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## Pilot Project Consistency with Part 10.1 of the *Forest Practices Code Act*

The Project Partners are committed to ensuring the Fort St. John pilot project is consistent with Part 10.1 of the *Forest Practices Code Act* of BC. Specifically, the pilot project will be implemented with systems in place to ensure:

- Protection of forest resources and resource features, adequate management and conservation of forest resources, and consistency with the FPC preamble through:
  - Implementation of a credible environmental management system under the ISO 14001 standard,
  - Implementation of a sustainable forest management system in accordance with the CAN/CSA-Z808-96 and CAN/CSA Z809-96 documents, outlining the CSA SFM standard,
  - Adherence to the Forest Stewardship Council principles, and
  - Implementation of *Canfor's Forestry Principles*,
- Opportunity for public review and comment and timely and adequate response to public comment, both before approval of the pilot project and after, through the formation of a permanent public advisory committee,
- Public access to planning documents through utilization of *Canfor's Forest Information System* in the management of data and production of and distribution of planning documents,
- Commitment to implementation of a process for balancing competing values and interests through:
  - consistency with the approved Fort St. John Land and Resource Management Plan, and
  - formation of a public advisory committee with stakeholder representation from the LRMP table,
- Commitment to review of performance through third party audit (including representation by the general public and First Nations), and by the Forest Practices Board, and
- Commitment to annual reporting of pilot project results and progress to the public and government.

# Fort St. John Performance Based Pilot Project

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## Expected Outcomes of the Pilot Project

The Project Partners are optimistic that a number of significant, beneficial outcomes will result from the implementation of the Fort St. John pilot project.

- Maintain or improve the current level of environmental performance of the Project Partners,
- Increase the level of public involvement (including First Nations) in planning of forestry operations,
- Replace legislated or regulated forest management and operational processes with internally developed processes that focus on achievement of objectives and targets,
- Change the role of government agency representatives in forest management from supervisor/monitor/enforcer to partner or client (change focus from process to results),
- Consolidate forest planning in the Pilot Project Area to enable implementation of landscape unit planning and other ecosystem management strategies,
- Improve the financial performance of the Project Partners, and reduce government's expenditure of resources in the review and approval of operational plans,
- Increase the level of crown and private investment in the forest land base within the Pilot Project Area for resource inventories and enhanced forestry practices,
- Improve government consultation processes with First Nations,
- Establish a digital information sharing platform for the Pilot Project Area, and
- Improve the confidence of the public and forest product customers in forest management through certification of operations in the Pilot Project Area.

As proponent of the pilot project, Canfor has specific expectations regarding application of pilot project success to other areas within the province. Specifically, Canfor hopes that outcomes will include changes to the Forest Practices Code that would allow exemptions for those licencees that have established internal processes and committed to achieve landscape level standards and objectives as proposed in this pilot project. We believe it is appropriate to recognize the existence of certification processes in public policy, by providing more freedom to licencees undertaking certification to decide how to reach the public's goals in forest management.

## Conclusion

The Fort St. John pilot project partners are confident that government and industry objectives for the pilot project program can be met through the successful application of innovative strategies for forest management under this proposal. The proponents are also anxious to investigate the regulatory change implications of the proposed pilot project and hope to participate with government in proposing regulation(s) that will enable unimpeded implementation of new systems. It is anticipated that changes will be staged over an extended period of time and therefore, the pilot project must have a long planning horizon. Clearly, as changes are implemented successfully, the public and government will develop a level of trust in the proponents that will enable further change. The Project Partners are committed to engineering this change and look forward to the challenge to see it through.