

Stillwater Timberlands – ONE PLAN

Pilot Project Proposal

Design From Implementation

This project will reinvent the legislated approval process. It will move us toward landscape level planning and it will shift public, agency and First Nation involvement from review of and comment on proposed plans to participation and consultation during the planning process.

Fundamental to the success of our project are the team's commitments to design from the future, embrace all possibilities, and build relationships. Focusing on these commitments will create a process that significantly improves the financial viability of licences operating on crown tenures and meets or exceeds current environmental standards.

Our project team is tasked with and committed to designing the new process and also to implementing it. Many well designed processes fail because there is no consideration given to the implementation phase or because the responsibility for implementation is passed on to a different team.

The process that will satisfy our purpose and produce our outcomes will not come from our past or from trying to fix the existing system. It is our intention to significantly shift the future of the coastal B.C. forest industry through the implementation of our project. This kind of change will be accomplished by starting in the future, clearly identifying desired outcomes and working back to the present. We are not saying it is necessary to ignore the past but we are making a commitment that we will not be burdened by it. Working from the past boxes you in. Design comes from the future; we will design what works to produce the outcomes we are committed to.

Building relationships will be key to the success of our project. We are not just designing a new process, we are creating a way of behaving in the process. A key component of our project is the technology for building relationships. When considering the future portability of our project to other districts and divisions remember that developing relatedness is more important than the process itself. It was very evident on several of our best practice visits that it was the relationships more than the process that dictated success or failure. Where there is relatedness a poor process can function, where there is no relatedness an extraordinary process will fail.

Relationships generate energy and possibility. Stillwater Timberlands will continue to improve our good working relationships with government agencies, First Nations, the local community and non-government organizations by encouraging them to participate jointly in the design and implementation of the pilot project. By participating in the design of the process government agencies can ensure they are able to meet their mandates.

The Stillwater Timberlands Pilot Project starts by clearly defining our purpose and setting measurable outcomes that, based on history and past experience, may currently seem unattainable. By committing to these seemingly unattainable results, starting in the future and working back to the present, we will "design" a system that works for the results we want to achieve. The outcomes will dictate the process.

Purpose of the Stillwater Pilot Project

To design from implementation a forest management planning process that:

- 1. Allows licencees the flexibility to meet customer demand.**
- 2. Encourages local community involvement.**
- 3. Shifts government focus from office approvals to field results.**

Implementation will Produce Key Outcomes

- 1. The number of plans and permits requiring approval will be reduced from five to one.**
- 2. The planning process will deliver approvals within 24 hours.**
- 3. Plan presentation will be at the landscape level. It will identify zones with levels of constraint.**
- 4. The time and cost of producing (licencee) and approving (ministry) strategic and operational plans will be reduced by a minimum of 50%.**
- 5. The planning and approval system will be performance based.**
- 6. There will be a functioning public advisory group that includes First Nations and government agency representation.**
- 7. We will shift planning involvement from comment on the plan to consultation during the planning process.**
- 8. Current environmental standards will be maintained or improved.**

Business Case

Weyerhaeuser coastal operations have operated at a loss on crown land for several years. On any given day we carry up to \$700 million worth of inventory in the form of logs and manufactured products. While the planning and approval process is not the most expensive link in the chain it is the first, and the lack of flexibility built into the current system drives log and manufactured product inventories up.

This project will shift the focus of the planning process, public participation and agency approvals from the cutblock level to the landscape level. Focusing on constrained areas rather than harvest blocks will increase the available “Wood Basket”, providing the flexibility to meet market cycles and changing customer demands. Reducing the number of plan approvals to one and creating a results based system will enable industry to respond to market changes quickly.

This combination of wider resource access, planning flexibility and quick response time will allow industry to operate with significantly lower inventories and meet customer demands.

Our business case is common to all coastal B.C. licencees

Commitment to Forest Stewardship and Environmental Standards

The new process and accompanying legislation designed under the One Plan pilot project will meet or exceed the environmental standards of the Forest Practices Code of B.C. Act.

Weyerhaeuser has committed to end clear cutting in coastal B.C. forests by the end of the year 2003. We are now in year 2 of a 5 year plan which will see clear cutting phased out at a cumulative rate of 20% per year. By the time this project is implemented in the year 2001 our coastal operations harvesting will be at minimum 60% variable retention and at maximum 40% clearcut. The Coastal Group’s Forest project is reviewed annually by an independent panel of international scientists.

Weyerhaeuser’s B.C. operations are committed to achieving certification to the ISO 14001 environmental management system standard. Stillwater Timberlands target date for ISO certification is Dec. 31, 2000. Stillwater Timberlands expects to achieve CSA certification by Dec. 31, 2001.

Development of Environmental Management Systems and Standard Operating Procedures is an integral requirement of ISO certification. The public advisory group formed for the Stillwater Pilot Project will follow guidelines established for public advisory groups under the CSA certification process. We anticipate the same public advisory group will participate in the CSA certification process in the year 2001. The Stillwater Pilot Project and the certification process will support each other.

Re-engineering – Some History

This is a timely opportunity for Weyerhaeuser as we are in the midst of a major re-engineering process within our coastal operations. We have made a corporate decision to be a customer driven company, focused on delivering “on time” and “on specification”. With the goal of meeting customer expectations as a starting point we worked backwards through our business from sales to shipping to packaging to milling to harvesting to planning. We broke our business into segments and formed teams to re-engineer each segment. One of the teams involved in our re-engineering was the “Tree (back) to Plan Team”. This team looked at the segment of our business from the commencement of felling back to the first time the engineer or planner conceived the cutblock. The Tree to Plan Team was a mix of engineers, foresters, strategic planners, cruisers, regional and operational staff. We invited the Ministry of Forests and the Ministry of Environment to participate fully in the re-engineering process. Three MOF staff, one from the Nanaimo Region office, one from Campbell River District and one from the Sunshine Coast District volunteered and participated in every phase of the process. The entire team, including ministry members, attended re-engineering workshops lead by an internationally respected business consulting group with a history of producing positive change within business organizations. The team clearly defined it’s purpose and the outcomes it would produce, mapped the current business processes, and conducted best practice visits to other companies and government agencies in Alberta, northwest Washington and Oregon, and the interior of British Columbia. We looked at what changes would have to be made in the existing tree back to plan process to meet the corporate goal of delivering on time and on specification. The Tree to Plan Team identified short term, “quick hit opportunities”, which involved “tweaking” or fixing the existing legislated process, and some longer term possibilities that would radically redesign the existing planning process and associated legislation.

The Pilot Project enabling legislation was singled out as the best opportunity to design a new process and shift the culture of the existing forest planning and approval legislation. On June 23, 1999, Tom Holmes, current Vice President of Timberlands for Weyerhaeuser’s B.C. coastal operations wrote to then deputy minister Janna Kumi expressing MacMillan Bloedel’s intent to participate in the Pilot Project process. We have since met with local MOF and MOELP staff, made a presentation to Ken Collingwood’s Regional Managers Team, and had a teleconference and face to face discussion with your Preliminary Project Proposal Assessment Team.

PROJECT SCOPE

- **We will examine all strategic and operational planning, approval, and permit requirements governing forest management activities on crown tenures.**

The number of plan and permit approvals required will be reduced from 5 to one.

We propose separating the timber supply analysis and management plan objectives. The timber supply analysis for annual allowable cut determination would continue as is for the entire TFL. Management objectives specific to Block 1 of TFL 39 would be jointly developed by the licensee, MOF and MOELP in consultation with a public advisory group and First Nations.

The permit to cut will become a notification document where cutting could commence after 24 hours unless notified otherwise by MOF district staff. A mechanism to ensure communication between district staff and licensees during the 24 hour notification period will be developed jointly with MOF staff during the next phase of the project. This 24 hour turn around on cutting permits would provide increased flexibility allowing licensees to respond to changes in market conditions and weather.

There will be no road permits. Roads will be constructed as per Standard Operating Procedures, to standards that meet or exceed the intents of the Forest Practices Code. This will greatly reduce the amount of useless paper flooding the system with no impact on results. Our project team will interact with the Campbell River District road permit pilot. We will monitor their process, examine their issues and consider the possibility of incorporating their process into ours. Soils reports, profiles and stream classification reports prepared where required and will be available to agencies and the public for viewing on request.

Silviculture prescriptions will be an internal document available to the public and agencies on request. Documents will still require signature and seal of a Registered Professional Forester. Professionals are accountable under the law, it is a waste of time and money for the government to review and approve silviculture prescriptions. We will review the content requirements and propose changes. Proposed content changes will be considered and developed by a team of registered professional foresters who actually sign the documents. The team will include representatives from Weyerhaeuser, independent SP contractors, other licensees and the Ministry of Forests.

- **Move from approval to performance based system.**

Reduce the number of plans and permits.

Shifts government focus from office approvals to field results.

Move authority to make and approve changes to the field level.

Get planning team out of the office and back into the field.

- **Shift planning focus from cut block to landscape level approach.**

The new plan presentation will identify non-timber resources and constrained areas identified through consultation with local MOELP, MOF and DFO staff during the planning process, taking into account goals and values established for the TFL through a Public Advisory Group.

Our process will combine Draft Landscape Units and Biodiversity Emphasis Options developed by the MOF and MOELP with Weyerhaeuser's proposed Forest Stewardship Zones.

Ground rules or Standard Operating Procedures would be developed specific to the type and level of constraint. These SOP's will direct road construction and harvesting activities to ensure the environmental protection and forest stewardship objectives of the Forest Practices Code are met or exceeded.

This project will complement the Weyerhaeuser Coastal B.C. "Forestry Project" commitments including landscape level zoning and our Variable Retention approach to harvesting. We are committed to achieving 100% Variable Retention by the end of the year 2003.

- **A key component of the new process will be the formation and participation of a Public Advisory Group.**

The public advisory group (PAG) will represent a cross section of the community, including local government, contractors, local business, recreation groups, environmental groups, etc.

PAG will have approximately 12 members with alternates, it will be of mixed age and gender.

PAG will have a paid facilitator and secretary. The independent third party facilitator will be selected by an interview panel and will be acceptable to both Weyerhaeuser and the PAG.

MOF, MOELP and Weyerhaeuser staff will participate as observers and resource people.

The PAG will act in an advisory role, providing input into the development, implementation, monitoring and continual improvement of the project.

- **Pilot Project will result in a proactive consultation process.**

New process will shift agency, public and First Nations participation in the planning process from review of and comment on proposed plans to early and continuous consultation during the planning process.

The plan would be live, updated constantly, subject to public input at any time. It will not have a fixed term.

- **The new process will promote Environmental Stewardship**

Plan will be hung on a web page, accessible to anyone in digital form at any time.

The new process will meet or exceed the environmental standards of the Forest Practices Code.

Weyerhaeuser has committed to end clear cutting in coastal B.C. forests by the end of the year 2003. By the time we implement this project in the year 2001 Weyerhaeuser has committed to minimum 60% variable retention. By the end of the year 2003 we will be at 100%.

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Stillwater staff have worked closely with our MOELP staff to develop a "Biodiversity Options Plan" for Block 1 of TFL 39 in the absence of an approved Land Use Plan. This BOP protects a significant portion of the land base and ensures there is sufficient options available for future Landscape Unit Planning.

- **An integral part of the project will be a review of and revisions to the forest acts, regulations and procedures governing the preparation of strategic and operational plans.**

Management objectives for TFL 39 Block 1 will be incorporated into the one plan.

As provided for in the enabling legislation the Pilot Project will include a review of forest practices regulations and may propose changes to the regulations. The review process will be a joint process involving MOELP and MOF to ensure that the environmental intent of the code is met or exceeded and that agencies can meet their mandates.

We will be exploring opportunities around green-up and block size which will be compatible with our variable retention approach to harvesting.

- **Development of Monitoring and Evaluation Criteria and an associated Compliance and Enforcement Regime**

The proposed Public Advisory Group will identify key community values and a set of indicators to measure results achieved. Results will be reviewed and reported annually.

Monitoring and evaluation criteria will be developed jointly with local MOELP, MOF and DFO to ensure government agencies are able to meet their mandate. This will be achieved through involvement with the public advisory group or through a separate process.

There will also be First Nation involvement in the formulation of monitoring and evaluation criteria, either through a seat on the public advisory group or through a separate consultation process.

A compliance and enforcement regime will be built into the new regulations governing forest management operations on TFL 39 Block 1 over the proposed life of the project.

- **The Stillwater Pilot Project will be Transportable**

Our business case stated above is applicable to all coastal operators and the process developed under the Stillwater Pilot Project will be applicable over all coastal tenures.

We will be using zoning attached to the Weyerhaeuser Forestry Project, but the concept could be applied just as well to any area having a higher level plan such as the Vancouver Island Land Use Plan.

Through this project we will demonstrate the opportunity of landscape level planning and a results driven system. The opportunities available under the landscape level planning approach will create the relationships necessary to drive the joint planning process that incorporates active versus passive consultation.

The key elements of our new process, landscape level planning and a results based process built through early consultation, joint planning and commitment to improved working relationships can be implemented anywhere.

Case For Stillwater Timberlands and the Sunshine Coast Forest District

Weyerhaeuser has chosen Stillwater Timberlands and the Sunshine Coast Forest District as the location for its coastal pilot project for three key reasons.

1. People - Weyerhaeuser staff, Sunshine Coast District staff, local MOELP and DFO

- **Committed**

Weyerhaeuser divisional staff and MOF district staff are committed to the project. Both parties have pursued this opportunity very aggressively within their respective organizations.

Stillwater Timberlands has committed a full time project manager from divisional staff to lead the project for as long as it takes. Other divisional staff are fully supportive and eager to participate. Two staff members in addition to the project leader have already committed more than a month to the project.

We are very excited about the possibilities for the division and the district.

- **Creative and Innovative**

The ability to get out of the box, leave your past behind and think from the future will be crucial to this project. It is our experience that Stillwater Timberlands, local MOF and MOELP staff have demonstrated this type of thinking in the past.

Stillwater Timberlands, local MOF and MOELP have a history of solving problems in creative and innovative ways.

The people involved with the project on behalf of Stillwater and the forest district have proven to be creative and innovative through their involvement in the “Tree to Plan Process”.

We are absolutely committed to the outcomes of the project without knowing exactly how we will get there before we start.

This attitude is critical to the project. We are not interested in tweaking the system, we will design a new process.

- **Support**

There has been tremendous support from Ray Balogh the Timberlands Manager at Stillwater and from Greg Hemphill, Sunshine Coast Forest District Manager.

Both the Timberlands Manager and the District Manager are aware of the scope of the project and have committed the district and divisional staff to see it implemented successfully.

Ray Balogh has signed our project charter as a co-sponsor, committing necessary divisional resources.

Tom Holmes, Vice President of Timberlands for Weyerhaeuser B.C. Coastal Group, has signed our project charter as the principle sponsor. His commitment is to provide the capital and resources at a corporate level to see our project through to a successful completion.

Stan Coleman, Manager of Nanaimo Woodlands for the B.C. Coastal Group, has also signed as a co-sponsor, promising to provide necessary regional resources and support.

- **Continuity**

There will be three people on the pilot project team who were members of the initial “Tree to Plan” re-engineering process, one MOF district rep and two Stillwater Timberlands reps.

These people will provide continuity, carrying forward the observations, discussions and recommendations of the “Tree to Plan” team to the “Stillwater Timberlands Pilot Project”.

2. Established Working Relationships

Relationships are a key cornerstone to the success of our project.

During the “Tree to Plan” project we conducted best practices visits to Alberta, Northwest Washington and Oregon, and the interior of B.C. We talked with people who worked in industry and for the government. In all cases where operations were successful, there was a good working relationship between industry, government agencies and the public. More than once we were told “good working relationships are at least as important as the process.”

Weyerhaeuser and the Sunshine Coast District office, including the local MOELP representative, have a very good working relationship with results to back up the claim.

- a) Block 1 of TFL 39 is at 103% in year 4 of our 5 year cut control period. We have been over 100% in each of the first 4 years.
- b) We are exceeding our standing timber inventory targets.

- c) We have a monthly pinch point process to identify and solve critical approval issues with local MOF staff.
- d) We have a silviculture prescription pilot project, which is working well.
- e) We have developed an interim Biodiversity Options Plan with our local MOELP representative for Blocks 1 & 5 of TFL 39 to protect mountain goat and grizzly bear habitat until landscape unit planning is completed.

3) Perfect Location for Success

- **Meets legislative criteria**

At 450,000 m³ the AAC for TFL 39 is approximately 2% of the coastal AAC and approximately 8% of Weyerhaeuser's portion of the coastal AAC.

- **Directly connected to the community**

The community of Powell River is surrounded on three sides by block 1 of TFL 39. There is a direct tie to the community. How we manage the TFL affects the local community directly, and there is significant interest within the community, particularly around recreation opportunities.

DFO, MOELP, MOF and Weyerhaeuser all maintain offices in the community, all are easily accessible to the community and all are located within a two block radius.

- **Good working relationship with First Nations**

There are three First Nations asserting traditional territory and aboriginal title claims within the TFL. Two of the territories are minor in size, the third and major claim belongs to the Sliammon First Nation. The Sliammon band offices and reserve lands are located in Powell River and butt up against the TFL boundary.

Stillwater Timberlands has good working relationship with the Sliammon First Nation. We have prepared and submitted their Woodlot Licence 1672 Development Plan and engineered the first 5 years cut.

Stillwater Timberlands has offered the Sliammon Band the opportunity to enter a joint venture agreement with one of our local contractors to harvest 20,000 to 30,000 cubic meters within Block 1 of TFL 39 in the year 2000.

We have an agreement with the Sliammon First Nation where by a % of all FRBC work within Block #1 of TFL 39 is done by native crews.

Under this project we will continue to explore new opportunities to improve First Nation consultation.

This direct connection and accessibility to all agencies is crucial to the public involvement process and First Nation consultation.

- **Higher level plans**

TFL 39 Block 1 has draft landscape units and biodiversity emphasis options in place. The Bunster Landscape unit which has Marbled Murrelet Habitat within it, will be signed off and approved by June of 2000.

In the process of preparing Management Plan #8 for blocks 1 and 5 of TFL 39 We have worked very closely with our local MOELP officer to complete a biodiversity options plan.

We have completed the protected area strategy process. Two protected areas have been signed off and approved in the Powell River. The Haslam / Confederation Protected Area is located almost entirely within Block 1 of TFL 39. The Duck Lake Protected Area is immediately adjacent to the TFL boundary.

There are three community watersheds within the TFL, two are very small and the third is quite large. The Haslam / Lang watershed is the largest and services the municipality of Powell River. The Integrated Watershed Management Planning process for the Haslam / Lang watershed is complete and has been signed off. We will have up to date Coastal Watershed Assessments and Soil Surface Erosion Assessments completed for the two smaller watersheds by June 2000.

Visual Quality Objectives for all of block 1 have been approved and signed off signed off by the District manager.

- **Recreational Activities**

We manage for the Powell River Canoe Route which circles 60 miles through the TFL.

We have a well established hiking trail network including the Sunshine Coast Trail.

We have in excess of 15 established recreation sites within the TFL.

Weyerhaeuser contributes \$30,000 annually to the maintenance of these trails and recreation sites.

- **No “hot” environmental issues**

The main non-timber use within block 1 of TFL 39 is recreation. The three issues around recreation are access, visual quality and post harvest deactivation.

There are private eco-tourism businesses operating within the TFL 39. Over the past three years we have successfully negotiated solutions to problems that at first seemed unsolvable.

There are also several other commercial tourism and recreational businesses located on Powell Lake. We have a good working relationship with all of them.

60% of the block 1 AAC is second growth.

TIMELINE

- **Timeline to Implementation**

- Preliminary submission for approval in principle (Dec. 16/99)
- Preliminary Submission to ADM's meeting (Feb. 16/00)
- Approval in principle received. (Feb. 23/00)
- Public Role Out and Advertisement for Advisory Group (Mar.01/00)
- Establishment of Public Advisory Group (Mar. 15/00)
- Draft Legislation Complete (Aug. 15/00)
- Project submitted for public review and comment. (Sept. 01/00)
- Final Submission For Approval (Nov. 15/00)
- Project Approval (Dec. 15/00)
- Project Implementation (Jan. 01/00)

- **Implementation to Completion**

- We envision a 10 year monitoring and evaluation period after implementation. Under current implementation schedule this would take us to Dec. 31, 2010.
- This timeline will be necessary in order to assess over a number of business cycles and cut control periods, the impacts of having flexibility to move around to meet market demands for different species.