

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FORESTRY COMMITTEE MEETING
(Committee of the Whole)

Thursday, April 17, 2014

PRESENT: Chairperson Gerry Thiessen

Directors Taylor Bachrach
Stephen Freeman
Carman Graf
Tom Greenaway
Bill Holmberg
Thomas Liversidge
Rob MacDougall
Bill Miller
Rob Newell
Jerry Petersen
Stoney Stoltenberg
Luke Strimbold – left at 3:00 p.m.

Directors Dwayne Lindstrom, Village of Fraser Lake
Absent Ralph Roy, Electoral Area “D” (Fraser Lake Rural)

Alternate Directors Kerry Jantz, Village of Fraser Lake
Ken Ponsford, Electoral Area “D” (Fraser Lake Rural)

Staff Gail Chapman, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
Hans Berndorff, Financial Administrator
Wendy Wainwright, Executive Assistant

Others Al Gorley, Triangle Resources Inc. (via teleconference) – 1:05 p.m. to 1:35 p.m.
Agathe Bernard, Stewardship Officer, Nadina, Burns Lake, Ministry of Forests, Lands and Natural Resource Operations – left at 2:50 p.m.
Rilla Middleton, Stewardship Forester, Nadina, Burns Lake, Ministry of Forests, Lands and Natural Resource Operations – left at 2:50 p.m.
Josh Pressey, District Manager, Nadina, Ministry of Forests, Lands and Natural Resource Operations – left at 2:50 p.m.

CALL TO ORDER

Acting Chair Miller called the meeting to order at 1:05 p.m.

TRIANGLE RESOURCES INC. – Al Gorley RE: Tenure Issue – via teleconference

Acting Chair Miller welcomed Al Gorley, Triangle Resources Inc.

Mr. Gorley spoke of the April 17, 2014 draft briefing note that Triangle Resources Inc. provided to the RDBN Forestry Committee Board of Directors titled “Area Based Forest Tenure.”

Discussion took place regarding the Omineca Beetle Action Coalition (OBAC) requesting an extension of the May 30, 2014 deadline by government for the input process regarding area based forest tenure.

TRIANGLE RESOURCES INC. – Al Gorley RE: Tenure Issue – via teleconference (CONT'D)

Mr. Gorley noted that the purpose for the discussion regarding tenure is to address whether government should have the ability to develop area based tenures and under what circumstances they should be developed.

Concerns were brought forward regarding the lack of substantial evidence for area based tenures and whether area base tenure forest management is the appropriate direction for short and long term forest management. The importance of the resource being owned by the people and communities and not be transferrable outside the area or region was discussed. Further discussion took place regarding the need to profile the area and have accurate inventory numbers to make decisions regarding the fibre inventory. If the decision is made to move forward with area based tenures, stipulations need to be implemented to make them nontransferable or non-saleable. Mr. Gorley mentioned that consolidation of manufacturing has occurred and along with that there has been a consolidation of timber rights. Concerns were also discussed regarding forest fires in the region and the issues with area based tenures and the potential effects to industry and communities similar to the devastation of fibre experienced in 2010 during the Binta Fire.

Director Bachrach spoke of a blog post by Don Kayne, CEO, Canfor Corporation regarding Canfor's response to the possible conversion from volume-based forest licences to area based tree farm licences. Director MacDougall noted concerns regarding processing plants not being within the community in which the fibre is being removed thus there is a lack of social, economic and environmental objectives to the communities.

The Ministry of Forests, Lands and Natural Resource Operations document titled "The Morice TSA (Timber Supply Analysis) Public Discussion Paper" is providing the facts as seen by FLNRO and is not a recommendations document. FLNRO also expressed the importance of public input to assist in the decisions made by the Chief Forester.

There are a number of issues that need to be addressed prior to decisions being made regarding volume based and area based tenures.

The Mid Term Timber Supply Committee discussion regarding support for area based tenures was understood to indicate support for diversifying, more community forests, more wood lots and more wood land tenures. It was mentioned that the committee took a cautious approach in considering the long term conversion to area based tenures and they should be customized to what the local people and communities want.

A request has been made for the RDBN Forestry Committee to meet with Jim Snetsinger. The request has been received and a date and time will be provided to the Forestry Committee.

James O'Hanley, Deputy Commissioner, Resource Stewardship & Major Projects, BC Oil & Gas Commission and Trish Balcaen, Executive Project Director, Oil & Gas Sector Lead, BC Environmental Assessment Office will be attending meetings at the Regional District of Bulkley-Nechako on April 23 and 24, 2014 and a question to be asked is can the EAO impose conditions that would mandate utilizations of fibre on the pipeline companies.

Discussion regarding the value of wood left in the forest needs to continue amongst all resource sectors as development continues to occur in the region.

Acting Chair Miller thanked Mr. Gorely for attending the meeting.

Break at 1:35 p.m. Return to the Regional Board Meeting

Chair Thiessen Reconvened the Forestry Committee Meeting at 1:50 p.m.

**SUPPLEMENTARY
AGENDA**

Moved by Director Stoltenberg
Seconded by Director Bachrach

F.C.2014-3-1

“That the Forestry Committee Meeting Supplementary Agenda of April 17, 2014 be received.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

AGENDA

Moved by Director Greenaway
Seconded by Director Stoltenberg

F.C.2014-3-2

“That the Forestry Committee Meeting Agenda of April 17, 2014 be received.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

MINUTES

Forestry Committee Meeting
Minutes – March 20, 2014

Moved by Director MacDougall
Seconded by Director Petersen

F.C.2014-3-3

“That the Forestry Committee Meeting Minutes of March 20, 2014 be received.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DELEGATION

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Josh Pressey, District Manager, Nadina, Agathe Bernard, Stewardship Officer and Rilla Middleton, Stewardship Forester RE: Morice TSA Timber Supply Review

Chair Thiessen welcomed Josh Pressey, District Manager and Agathe Bernard, Stewardship Officer Ministry of Forests, Lands and Natural Resource Operations.

Ms. Bernard mentioned that Rilla Middleton, Stewardship Forester, MFLNRO was also in attendance to assist with any questions. Ms. Bernard provided a PowerPoint presentation.

Morice Timber Supply Area - Timber Supply Review Process

Current Allowable Annual Cut (AAC)

- 2,165,000 cubic metres per year
 - Includes a non-pine species partition equating 550,000 cubic metres per year
- Balance between harvesting susceptible pine in the short-term and maintaining sufficient non-pine volume in the mid-term
- AAC has been in effect since February 1, 2008

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Josh Pressey, District Manager, Nadina, Agathe Bernard, Stewardship Officer and Rilla Middleton, Stewardship Forester RE: Morice TSA Timber Supply Review (Cont'd)

Timber Supply Review Process

- By law, the chief forester must determine an allowable annual cut – AAC – at least once every 10 years:
 - o Currently in the process of:
 - Analysis Report and Public Discussion Paper;
 - 60-day review and comment and consultation period.

Timber Harvesting Land Base (THLB)

- Portion of the forested land base where timber harvesting is legal and economically feasible:
 - o Excludes woodlots and community forests;
 - o Accounts for all forest values.
- Currently 648,956 hectares (43% of total area);
- THLB (Timber Harvesting Land Base) – 43%;
- Not Managed by FLNRO – 5%;
- Non – Productive 33%;
- Parks 4%;
- Marginal Stands 7%;
- Inoperable Areas – 4%;
- Wildlife, Riparian, Scenic Area – 4%.

Timber Supply Base Case

- **Annual harvest (000's m³/year)**
 - o 2 165 000 m³/year; 0-5 years from 2014 (assuming that for the first 5 years, about two-thirds of the total harvest volume is from dead pine-leading stands);
 - o 1 600 000 m³/year – 5-60 years from 2014;
 - o 1 980 000 m³/year – 60-100 years from 2014.
- The base case is simply a timber supply forecast that was chosen to best represent the best compromise between maintaining the current allowable annual cut (AAC) and maximizing the mid-term harvest level. This forecast is based on land base inventory, growth and yield and management practices data.
- The base case forecast forms the basis for comparison when assessing the effect of uncertainty on timber supply. The base case is not an AAC recommendation.

Discussion took place regarding assumptions in making projections and certain information needed for projections. The current overharvesting and the impacts to the projection is a concern. Past behavior of contractors and licensees is taken into consideration by the Chief Forester when making a decision regarding the AAC (Annual Allowable Cut).

Key sensitivity Analyses

- Sensitivity analyses examine the effect of uncertainty in data and assumptions on timber supply.
- **Sensitivity analyses**
 - o Changing estimates of shelf-life;
 - o Including some marginally economic stands.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Josh Pressey, District Manager, Nadina, Agathe Bernard, Stewardship Officer and Rilla Middleton, Stewardship Forester RE: Morice TSA Timber Supply Review (Cont'd)

Conclusions

- After the first five years in the base case, harvest level is projected to decrease to 1.6 million m³/year for 55 years;
- Short – and mid-term harvest levels depend on:
 - o Continued harvest of dead pine-leading stands;
 - o Economic viability of harvesting stands with less than 250 m³/ha and balsam-leading stands;
 - o Forest health in young stands;
- An AAC determination considers biophysical, social, and economic information. This includes input from the public and First Nations;
- The chief forester's determination is an independent professional judgment.

Director Miller spoke of the marginally economic stands and that the value of the log determines the direction of the future. All components are connected together and play a role and need to be considered. Communities need to know what the future of the forests and decisions being made by the Ministry of Forests, Lands and Natural Resource Operations means to them. Director Bachrach mentioned that there is a need to identify the question being asked of the public into the input of decisions being made. Ms. Bernard noted that all questions being asked and comments made regarding the Morice TSA Timber Supply Review are important and welcomed by FLNRO Staff.

Chair Thiessen mentioned concerns regarding input being made by people that reside outside the region in which decisions are being made. There also concerns regarding the level of transparency in information provided to local government and the public. This is an extremely sensitive and emotional issue for a lot of communities and the lack of transparency and limited information being provided provides a mistrustful atmosphere.

Discussion took place regarding economic factors that impact the forest industry and the nature of business to control and drive the forest industry.

Concerns were expressed as to the very short timeline for public discussion on area-based forest tenures. Appreciation was expressed to FLNRO staff for their efforts and continued dialogue with the communities and RDBN Forestry Committee. The dialogue that took place during the meeting in Burns Lake on March 5, 2014 with the RDBN, FLNRO, and industry was beneficial, and the importance of continuing that dialogue in order to find common ground will assist all communities in the region and all levels of the forest industry. Mr. Pressey mentioned that it would be a huge benefit to continue the meeting on a quarterly basis or yearly basis to continue the progress of dialogue. Industry also expressed that they found the meeting to be beneficial.

Discussion took place regarding the accuracy of inventory numbers when the Morice Timber Supply Review is complete. Ms. Bernard noted that it is impossible to be precise but there is overall confidence that the inventory is correct. An inventory audit was completed in the Morice Timber Supply Area in 2012 and it was found that the numbers from the inventory were very similar to the inventory that FLNRO had on record. Current inventory was first gathered approximately twenty years ago and has been maintained to date. A new analysis takes approximately three years to complete and has been started in the Lakes and Morice Timber Supply Areas. An AAC determination can be made prior to a new analysis and if there are any changes to be made the Chief Forester can make those recommendations. FLNRO staff will make recommendations to the Chief Forester prior to his decision on the AAC for the Morice Timber Supply Area.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Josh Pressey, District Manager, Nadina Agathe Bernard, Stewardship Officer and Rilla Middleton, Stewardship Forester RE: Morice TSA Timber Supply Review (Cont'd)

Concerns were brought forward regarding overharvesting of timber. The partition for non-pine stands is 550 000 m³ per year. The average harvest on non-pine stands in the past six years is 793 000 m³ per year.

2008 – 464 000 m³ of non-pine stands were harvested;

2009 – 500 000 m³ of non-pine stands were harvested;

2010 - >754 000 m³ of non-pine stands were harvested;

2011 – 976 000 m³ of non-pine stands were harvested;

2012 – 976 000 m³ of non-pine stands were harvested;

2013 – 1 000 000 m³ of non-pine stands were harvested.

It is a ministerial decision as to the amount of fibre harvested.

Frustrations were expressed regarding the amount of non-pine/green wood leaving communities to be processed at other locations. This does not provide a benefit to the community from which the fibre is being removed.

Chair Thiessen thanked Mr. Pressey, Ms. Bernard, and Ms. Middleton and expressed the RDBN Forestry Committee's appreciation for their attendance.

REPORTS

RDBN "Draft" Discussion Points for Upcoming Meetings With the Deputy O&G Commissioner, April 24th RDBN Office and Oil and Gas Commissioner, May 7th, Fort St. John, B.C. Moved by Director Stoltenberg
Seconded by Director Miller

F.C.2014-3-4

"That the Forestry Committee recommend to the Regional District of Bulkley-Nechako Board of Directors that it ratify the proposed "Discussion Points" and include "that during the Oil & Gas Commission permitting process, allowance for local government input be considered" to be brought forward as key discussion items between the Oil and Gas commission and the RDBN. Further, that the RDBN forward a copy of the issues to the Environmental Assessment Office and Ministry of Forests, Lands and Natural Resource Operations requesting future meetings to discuss the identified RDBN concerns."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

REPORTS (CONT'D)

"Draft" Briefing Note
Utilization of Timber from Gas
Line Clearing

Moved by Director Miller
Seconded by Director Stoltenberg

F.C.2014-3-5

"That the Forestry Committee recommend to the Regional District of Bulkley-Nechako Board of Directors that:
1. Approve the points listed in Appendix 1 of the Briefing note regarding utilization of timber from gas line clearing as "for discussion only" and forward a copy to the Oil and Gas Commission (OGC) in advance of the May meeting; and further,
2. that a copy of the discussion points be forwarded to the Environmental Assessment Office (EAO) and Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) and request an opportunity for a discussion with them."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

CORRESPONDENCE

Correspondence

Moved by Director MacDougall
Seconded by Director Stoltenberg

F.C.2014-3-6

"That the Forestry Committee receive the following correspondence:

- Omineca Beetle Action Coalition – Phase 2 of the BC Timber Sales (BCTS) Review;
- Minister of Forests, Lands and Natural Resource Operations
– Update on the Public Discussion on Area-Based Forest Tenures;
- Minister of Forests, Lands and Natural Resource Operations
– Discussion Paper: Area-Based Forest Tenures;
- Forest Practices Board – Timber Harvesting in Beetle – Affected Areas;
- Forest Practices Board – Board Bulletin – Balancing Risk Across Resource Values in Forest Operations;
- Ministry of Forests, Lands and Natural Resource Operations
– Climate News – Spring 2014;
- The Canadian Press – B.C. Timber Supply Facing Tenure System Revamp;
- The Globe and Mail – Timber Companies Can't See the Consequences for the Trees."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

SUPPLEMENTARY AGENDA

REPORT

"Draft" Briefing Note
-Area Based Forest Tenure

Moved by Director Stoltenberg
Seconded by Alternate Director Jantz

F.C.2014-3-7

"That the Forestry Committee recommend that the Regional District of Bulkley-Nechako identify its interests and recommendations relative to the Government's proposal for Area Based Forest Tenure and provide written input directly and/or through OBAC (Omineca Beetle Action Coalition) by May 30, 2014."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Discussion took place regarding the time line in which to provide a response and the discussion with Jim Snetsinger when a meeting is granted regarding Area Based Forest Tenure. Some interests to be identified are:

1. Timeline of Consultation;
2. Not a consensus or common support for the change to Tree Farm License's (TFL's);
3. Support for more diverse small scale creative forest tenure ideas;
4. Encourage inventory analysis;
5. A wide range of forestry issues and Area Based Forest Tenure may not be of highest priority.

CORRESPONDENCE

Correspondence

Moved by Director MacDougall
Seconded by Alternate Director Jantz

F.C.2014-3-8

"That the Forestry Committee receive the following correspondence:

- Ministry of Forests, Lands and Natural Resource Operations
– Timber Supply Analysis – Morice Timber Supply Area;
- Nadina Forest District – Forest Inventory Update;
- Canfor – Area Based Tenure Consultation Process."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

ADJOURNMENT

Moved by Director Greenaway

F.C.2014-3-9

"That the meeting be adjourned at 3:05 p.m."

Gerry Thiessen, Chair

Wendy Wainwright, Executive Assistant