



Fort St. John
Forest District



SBFEP

Fort St. John Pilot Project Detailed Proposal



August 2001



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Fort St. John Pilot Project Fort St. John Timber Supply Area

1 Summary

This proposal is submitted by the following organizations, hereafter referred to as the “participants”:

- Canadian Forest Products Ltd.
- Slocan Forest Products Ltd.
- Louisiana-Pacific Canada Ltd.
- Ministry of Forests Small Business Forest Enterprise Program, Fort St. John Forest District

Under Part 10.1 of the *Forest Practices Code of BC Act (Code, FPC)*, pilot projects may be established to experiment with ways to improve the regulatory framework for forest practices. Authority for pilot projects is granted by Order in Council through the approval of specific regulations. Pilot project regulations must meet the legislated requirements laid out in Part 10.1, including, but not limited to:

- Equivalent protection for forest resources and resource features as that provided by the *Code*
- Consistency with the *Preamble* to the *Code*
- Provision for adequate management and conservation of forest resources
- Provision of public review opportunities and access to planning documents

In recognition of government’s requirements under Part 10.1, *FPC*, and the participants’ desire for a more effective administrative regime, this document proposes fundamental changes to the current forest planning process in the pilot project area. These changes will be enabled through the enactment of a pilot project regulation, a draft of which has been prepared by the participants. Highlights of the proposal include the following:

- Enable the establishment of a strategic plan for the pilot project area, to be known as a Sustainable Forest Management (SFM) Plan. The participants will prepare the SFM Plan with the guidance of a local public advisory group, First Nations, and a scientific/technical advisory committee. The SFM Plan will require the joint approval of the Regional Manager, Prince George Forest Region, Ministry of Forests and the Regional Director, Omineca-Peace Region, Ministry of Water, Land and Air Protection. Upon approval, the SFM Plan will provide strategic direction to forest operations carried out in the pilot project area.
- Enable the consolidation of individual licensee forest development plans into a single forest development plan for the Fort St. John Pilot Area. The consolidated forest development plan will provide information about the timing and location of proposed forestry activities. The content and public review and comment requirements for the consolidated forest development plan will be consistent with the Operational Planning Regulation.
- After a sustainable forest management plan has been approved the participants may prepare and submit to the district manager a forest operations schedule (FOS). The FOS, which replaces the FDP, will identify the areas where timber harvesting and road construction are proposed. All forest operations carried out under a FOS must be consistent with the SFMP. The forest operations schedule is subject to the same public review and comment process as a FDP. The district manager will not formally approve the schedule but may withhold the authorization of specific operations.



- Eliminate the requirement for agency approval of site level operational plans and road plans, including silviculture prescriptions, road layout and design plans, road construction surveys, road deactivation plans and stand management prescriptions.
- Incorporate local stakeholder values in forestry plans by ensuring consistency of SFM Plans with approved Fort St. John Land and Resource Management Plan (LRMP) resource management zone objectives.
- Enable processes or criteria prescribed in sustainable forest management plans alternative to those prescribed in current legislation or regulation.

The overarching goal of the participants is to achieve the objectives of the standard legislation with a statutory and management package that is easier to implement and lower in cost than is the standard legislation.

This will be accomplished in part through the development and application of one or more comprehensive Environmental Management System(s) (EMS) for all pilot project forest operations. The pilot project EMS will be an adapted version of Canfor's EMS that has been certified to the *Environmental Systems Standard, ISO 14001:1996*. Furthermore, the sustainable forest management plan will be developed to include the components and performance objectives of the *Canadian Standards Association (CSA) SFM System*. The system will ensure that management objectives are set for the critical elements of the Canadian Council of Forests Ministers' (CCFM) criteria for sustainable forest management. SFM objectives will incorporate the *Fort St. John Land and Resource Management Plan* objectives and additional input from a local public advisory group and First Nations.

The participants' demonstrated commitment to sustainable forest management and the opportunity for flexible and innovative forest management provided by the proposed pilot project regulation will enable certification of the proposed SFM System as it is applied to the Fort St. John Pilot Area. CSA certification of a range of volume based tenures over an extensive land base has not previously been tested in British Columbia. The successful certification of the pilot project forestry system carries significant implications for certification endeavours throughout the province.

The implementation of the Fort St. John pilot project will involve a transition from the current regulatory environment to the proposed regime over a period of approximately two years. A technical working group comprised of participant representatives has been established to enable consolidation of forest development plans currently prepared by each licensee and the SBFEP into one plan. Discussions are underway between the participants regarding the selection of an appropriate data sharing structure for the purposes of forest inventory management, production of maps, and monitoring and measurement of indicators.

The development and implementation of an environmental management system will be a priority for the participants, along with the establishment of a public advisory group. The public advisory group will provide feedback to the participants on the proposed pilot project prior to its approval, and following that be engaged in the development of the first sustainable forest management plan under the pilot project. The participants intend to undergo an *ISO 14001* accreditation audit(s) within one year of the project being approved and a *CSA SFM* audit within two years.

In the period of time between the approval of the pilot project by government and approval of the first SFM Plan, the site plans will be consistent the FDP, which in turn will take strategic direction from the *Fort St. John LRMP*. Assurance that site plan content will maintain equivalent protection for



forest resources as that provided under the *FPC* will be provided by the pilot project regulation, legislation and regulations that remain unaffected by the pilot project regulation, any district manager policy that may be established and qualified registered professionals. Additionally, any commitments made by the participants in this proposal will come under the scrutiny of certification auditors, who will verify whether or not the participants are satisfactorily addressing those commitments. All reports by independent third party auditors on the performance of the participants under this pilot project will be made available to the government and the public.



2 Description of Area

The Fort St. John Timber Supply Area (TSA) is located in the northeastern interior of British Columbia. The TSA covers about 4.7 million hectares and is bounded by the Peace River in the south, the Alberta border in the east, the Fort Nelson TSA in the north, and the Rocky Mountains in the west. The Fort St. John pilot project does not include private lands, reserves or parks or Woodlots located within the TSA and is approximately 4.1 million hectares (see Figure 1). The TSA is located in the Prince George Forest Region and is administered by the Fort St. John Forest District Office.

The eastern portion of the TSA is dominated by a plateau (primarily the Alberta Plateau ecoregion), while the western portion consists of the Rocky Mountains and foothills. Four biogeoclimatic zones occur in the TSA: the Boreal White and Black Spruce zone in the plateau and lower elevations; the Englemann Spruce-Subalpine Fir and Spruce-Willow-Birch zones at medium to high elevation in the mountains and foothills; and the Alpine Tundra zone at higher elevations. White spruce, lodgepole pine, aspen, black spruce, and subalpine fir are the dominant tree species in the area.

The population of the Fort St. John TSA was about 24,000 in 1991, with the majority (62 percent) living in the communities of Fort St. John and Taylor. Aboriginal people represent about three percent of the total population of the TSA. Four First Nations have reserve and traditional lands within the TSA: the Blueberry River, Doig River, Kahntah and Halfway River. An additional three First Nations have declared traditional territory within the TSA: Prophet River, Assumption (from Alberta) and West Moberly. The general TSA area falls within the provisions of Treaty 8.¹

The Fort St. John TSA is unique in several ways. Oil and gas exploration and development has occurred throughout most of the planning area over the past few decades. The southern and southeastern portion of the planning area is predominately used for agriculture and has a high concentration of privately held lands. Forest harvesting and management, although a major part of the current local economy, is relatively recent with many areas yet to be developed for timber harvesting. The mineral resources of the area are relatively unexplored and significant potential exists in the western portion of the TSA near the Rocky Mountains. Energy development is the largest economic sector in the TSA, with agriculture and forestry ranking second and third, respectively, in terms of local employment.

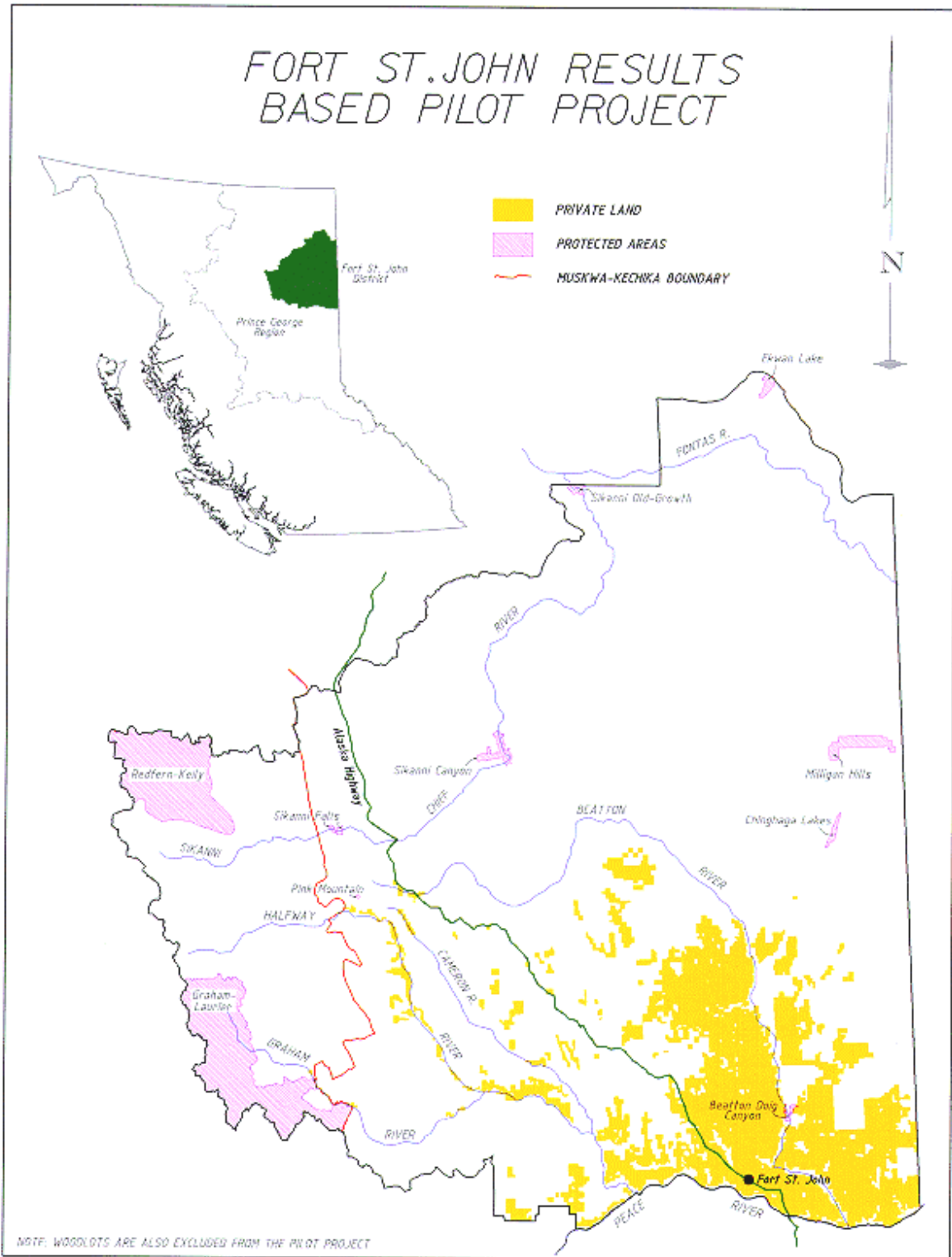
Nationally and internationally recognized wildlife resources are an important feature in the “wilderness” areas in the western portion of the TSA. The TSA incorporates the southern portion of the Muskwa-Kechika Management Area. The *Muskwa-Kechika Management Area Act* was passed in June 1998, and establishes management intent for a series of protected areas and special management areas in the “Northern Rockies”. Management of the Muskwa-Kechika area for its high wildlife, biodiversity and wilderness values is a key objective for several resource sectors and provincial, national and international interest groups.²

¹ *Fort St. John Timber Supply Area Rationale for allowable annual cut determination*, effective December 31, 1996 by BC Ministry of Forests, Chief Forester Larry Pedersen)

² *Fort St. John Land and Resource Management Plan*, October 1997



Figure 1 Project Area Map





3 TSA AAC Determination, Apportionment and Pilot Project Volume

Determination of allowable annual cut (AAC) levels within the province of BC is the responsibility of the provincial Chief Forester. In making these determinations, the Chief Forester considers numerous factors and information about the biophysical, social and economic characteristics of the area. In the case of the Fort St. John TSA, a review of the observations and assumptions used in the most recent timber supply review provides useful insight into the current status of the local forest resource.

As is the case in other TSAs in the northeastern part of the province, the Fort St. John TSA has two established AACs; one for predominately coniferous stands and one for predominately deciduous stands. In the most recent timber supply review (effective December 31, 1996) the combined AAC for the Fort St. John TSA was set at 2,015,000 cubic metres per year, of which 1,100,000 m³ is coniferous and 915,000 m³ is deciduous. The coniferous AAC represented a 24 percent increase from the previous level, set in 1987. The deciduous AAC is unchanged from the 1987 level.

Following the 1996 Timber Supply Review, the Ministry of Forests invited applications for several non-replaceable deciduous and coniferous Forest Licences. Volume for these licences was available because of the recent coniferous AAC increase, an existing deciduous undercut and previously unallocated deciduous quota.

The current allowable annual cut apportionment for the Fort St. John TSA is shown in Table 1.

Table 1 TSA Apportionment (all figures are cubic metres per year)				
Tenure	Coniferous Volume	Deciduous Volume	Total Volume	Tenure Holder
FL A 18154	704,793		704,793	Canfor
FL A 56771	150,000		150,000	Offered to Canfor/West Moberly
FL A 60049		193,000	193,000	Louisiana-Pacific
FL A 60972	83,494		83,494	Louisiana-Pacific
FL A 60050		119,300	119,300	Louisiana-Pacific
Totals	938,287	312,300	1,250,587	
PA 12		500,000	500,000	Slocan
PA 13		18,000	18,000	Louisiana-Pacific
Totals		518,000	518,000	
SBFEP				
FL A59959	70,000		70,000	Offered to Cameron River Logging Ltd.
Sec 20	77,218		77,218	Regular timber sale licences
Sec 20		180,000	180,000	Regular timber sale licences
FS Reserve	11,000	9,000	20,000	Forest Service Reserve
Totals	158,218	189,000	347,218	
Woodlots	17,904	15,000	32,904	
Grand Totals	1,114,409	1,034,300	2,148,709	
TSR AAC Totals.	1,100,000	915,000	2,015,000	
NOTE: FL 60050 is comprised of an undercut volume FL 60972 contains an undercut volume of 14,409m ³ /yr				

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.



Based on the participants' request, and the Project Manager's reply in a letter dated May 2, 2000, the harvest volumes now included in the proposed Fort St. John pilot project are summarized in Table 2.

Table 2 Summary of Pilot Project Volume	
AAC Apportionment (all volumes are cubic metres per year)	
<i>Coniferous Component</i>	<i>1,100,000</i>
<i>Deciduous Component</i>	<i>915,000</i>
Approved AAC	2,015,000
Exclusions from Pilot Project	
<i>Woodlot Licences</i>	<i>32,904</i>
<i>Forest Service Reserve</i>	<i>20,000</i>
<i>Forest Licence A59959</i>	<i>70,000</i>
Total Exclusions	122,904
Pilot Project AAC	1,892,096

At the time Part 10.1 of the *Code* was added, the allowable annual cut for the Prince George Region was set at 19,355,604 cubic metres per year. The Fort St. John pilot project includes 9.77 percent of the regional AAC, and is therefore within the legislative requirement.



4 Description of Project Participants

4.1 Canadian Forest Products Ltd.

Canfor Corporation is a leading Canadian integrated forest products company based in Vancouver, BC. Canfor has extensive woodlands operations and manufacturing facilities in British Columbia and Alberta, and lumber re-manufacturing facilities in Washington State. The company is a major producer of lumber and bleached kraft pulp. It also produces semi-bleached and unbleached kraft paper and remanufactured lumber products. Canfor's products are sold in global markets by the Canfor Wood Products Marketing group through its offices in Canada, Europe, and Japan. Canfor Corporation is listed on the Toronto and Vancouver stock exchanges. The main operating company is Canadian Forest Products Ltd., from which the name Canfor is derived.

Canfor operates two sawmills in the Fort St. John area, a random length dimension mill immediately east of Fort St. John and a stud mill at Taylor, 15 kilometres south of Fort St. John. The two sawmills currently produce 240 million board feet of spruce-pine-fir lumber annually for the North American housing market and the British Columbia secondary manufacturing industry. Canfor has a strategic alliance with several large US owned do-it-yourself retailers and is one of the major suppliers of premium quality lumber to that market. By-product chips are sold to Fibreco Pulp for consumption in Slocan's Taylor pulp mill and to Canfor's three Prince George pulp mills. Canfor's Fort St. John/Taylor operations employ 250 persons directly and another 200 contractor employees in woodlands operations.

Canfor's Fort St. John/Taylor operations consume approximately 1 million cubic metres of coniferous timber annually. The primary source of this timber is Forest Licence A18154, a replaceable coniferous forest licence with an annual allowable cut of 704,593 cubic meters. The remainder of the required volume is purchased through the Small Business Forest Enterprise Program or from private landowners. In 1999, the Ministry of Forests offered Canfor and West Moberly First Nations the non-replaceable Forest Licence A56771, which authorizes an annual harvest of 150,000 cubic metres for a period of twenty years. Canfor has finalized a joint venture agreement with representatives of West Moberly as committed to in the proposal for the licence. Canfor also committed to undertake significant capital improvements to its local manufacturing facilities in the proposal. The details of those improvements will be revealed to the government in the near future.

Canfor has obtained certification of all its woodlands operations under the ISO 14001 standard. The company has also certified its area based tenures in Alberta and British Columbia under the Canadian Standards Association (CSA) Sustainable Forest Management Standard. The company has also investigated certification of its area based tenures by the Forest Stewardship Council but is awaiting satisfactory completion of the British Columbia FSC regional standards before making a decision to proceed. Canfor made additional commitments to its board of directors and major customers that the company will investigate ways to enable certification of its volume based tenures in BC. The Fort St. John pilot project is one such investigation.



4.2 Louisiana-Pacific Canada Ltd.

Louisiana-Pacific Corporation (LP), headquartered in Portland, Oregon, is a major North American supplier of building products, offering a mix of core commodity and value added specialty products. LP's product list includes oriented strand board (OSB) structural panels, siding, engineered I-joists, dimension lumber, laminated veneer lumber, medium density fibreboard, particleboard, hardwood veneer and pulp. LP operates facilities in 29 US states, as well as Canada, Ireland and Chile.

Louisiana-Pacific Canada Ltd. is the Canadian arm of Louisiana-Pacific Corporation. Canadian facilities include a pulp mill near Chetwynd, BC with oriented strand board plants in Dawson Creek, BC and Swan River, Manitoba. LP has recently acquired Le Groupe Forex in Quebec, ABT Co., which has operations in Canada and the United States, and the assets of Evans Forest Products, consisting of a veneer/plywood/laminated veneer lumber complex in Golden, BC and a cedar sawmill in Malakwa, BC. Construction of an aspen veneer plant is currently underway in Dawson Creek.

LP currently has no facilities located within the Fort St. John Forest district. A portion of Pulpwood Agreement 13, which is a source of deciduous timber for the pulp mill near Chetwynd, is within the Fort St. John Forest district.

LP has recently been awarded four new Forest Licences in the Peace River Region of BC. Three of these licences are in the pilot project area and one is in the Dawson Creek Forest District. The timber from these licences will be used to supply existing facilities as well as a joint venture oriented strand board (OSB) plant with Slocan Forest Products Ltd. (Slocan-LP OSB Corp.) and a veneer plant in Dawson Creek.

Sustainable forest management is a strategic priority for LP. Innovation, adaptation and continual improvement of forest management practices are key components to sustainable forest management. The Fort St. John Results Based Pilot Project provides a unique opportunity to lead the forest industry in BC into a new era of forest management through data sharing, joint planning efforts, innovative silviculture activities, innovative management of mixed wood forests and a landscape level approach to forest management.

LP has recently hired a certification manager for its Canadian operations and is actively pursuing ISO 14001 and Sustainable Forestry Initiative (SFI) certification. LP will evaluate the CSA Sustainable Forest Management System under the pilot project.

4.3 Slocan Forest Products Ltd.

Slocan Forest Products Ltd. is a British Columbia based company with all its manufacturing facilities and forest management activities located within the province. Beginning in 1978 with one sawmill in the Slocan Valley, Slocan Forest Products today employs over 4000 people in over 20 communities. The company's facilities include ten sawmills, one oriented strand board plant, one plywood/veneer mill, a pulp mill, and a secondary manufacturing plant. Products are sold throughout North America, Asia and Europe. The company has a wide and predominantly Canadian shareholder base with its shares being publicly traded on the Toronto Stock Exchange. Although Slocan is one of the largest forest products companies in British Columbia, with operations ranging from the Slocan Division near the US border, to the Fort Nelson operations



near the Yukon border, each division is managed as a virtually autonomous operating unit. Divisional efficiencies are gained through corporate purchasing and marketing activities. Divisional managers work closely with local communities to address local interests and concerns. All Slocan's activities are guided by its Management of Trust Philosophy. This philosophy states that the company will only be able to continue operating on Crown land as long as it has the trust and support of the public, who are the owners of that land.

Slocan Forest Products Ltd.'s presence in the Fort St. John forest district was initiated with the purchase of a majority interest in Fibreco Pulp Joint Venture in May 1991. Slocan became sole owner of Fibreco Pulp on December 31, 1998, and has recently completed a bleach upgrade that permits increased utilization of deciduous fibre. Under its new configuration, Fibreco Pulp will utilize up to 117,000 bone dry units (327,000 cubic metres) of coniferous and 95,000 bone dry units (266,000 cubic metres) of deciduous chips annually. Residual sawmill chips from Slocan and Canfor are supplemented by private deciduous chip purchases. Fibreco Pulp provides direct full time employment to 130 people.

In 1989 Slocan was offered Pulpwood Agreement (PA) 12, which provided the opportunity to harvest up to 500,000 cubic metres of deciduous volume in the Fort St. John Timber Supply Area. Under terms of the agreement, the company was to expand the annual capacity of the Taylor pulp mill by 500,000 cubic metres. Market conditions prevented the company from expanding the pulp mill, and in 1997 the company requested, and have since received approval, that the Pulpwood Agreement be amended by replacing the requirement to expand the pulp mill with a requirement to build an oriented strand board plant. The request was approved earlier this year. On June 23, 2000, Slocan and Louisiana-Pacific announced the formation of a 50:50 joint venture, Slocan-LP OSB Corp., to build and operate an oriented strand board mill near Fort St. John.

Slocan Forest Products Ltd. recently successfully registered its forestry environmental management system to the standard of *ISO 14001* as of August 3, 2001. Certification by the Canadian Standards Association will be considered in addition to the ISO certification. The joint venture Slocan-LP OSB Corp. will vigorously pursue ISO registration and CSA certification of its woodlands operations following the final approval of the OSB mill construction, with the objective of ISO registration by mid-2002.

4.4 Small Business Forest Enterprise Program

The Fort St. John Small Business Forest Enterprise Program (SBFEP) is a component of the provincial SBFEP. The SBFEP was established in 1978 to help diversify and strengthen British Columbia's forest industry. It is one of several programs developed by the province to support small forest industry businesses operating independently from major companies. The SBFEP plays an important role in BC's forest sector by making timber available to market loggers, small sawmills, lumber re-manufacturers and specialty wood manufacturers through sales in communities around the province. The SBFEP supports provincial government objectives for:

- access to timber
- diversification and employment
- competition and fair profit
- sound forest management.

The Fort St. John SBFEP currently has both a coniferous and deciduous apportionment. The coniferous apportionment is 147,218 cubic metres per year, not including 11,000 cubic metres in



the Forest Service reserve. There is currently a Section 13.1 non-replaceable forest license (A59959) being considered with an AAC of 70,000 cubic metres, and a fifteen-year term. The remaining 77,218 cubic metres are offered competitively under Section 20 of the *Forest Act*.

The Fort St. John SBFEP deciduous apportionment is 180,000 cubic metres per year, not including 9,000 cubic metres in the Forest Service reserve. Currently only about half of this volume is made available because of a lack of demand. It is anticipated that as deciduous manufacturing plants go into production the entire volume will be made available for purchase.

The Fort St. John SBFEP is currently piloting the possibility of becoming certified to the CSA forestry standard under the recently announced provincial SBFEP certification project. This piloting will allow the Fort St. John SBFEP to share certification experiences more broadly with SBFEP participants elsewhere in the province.

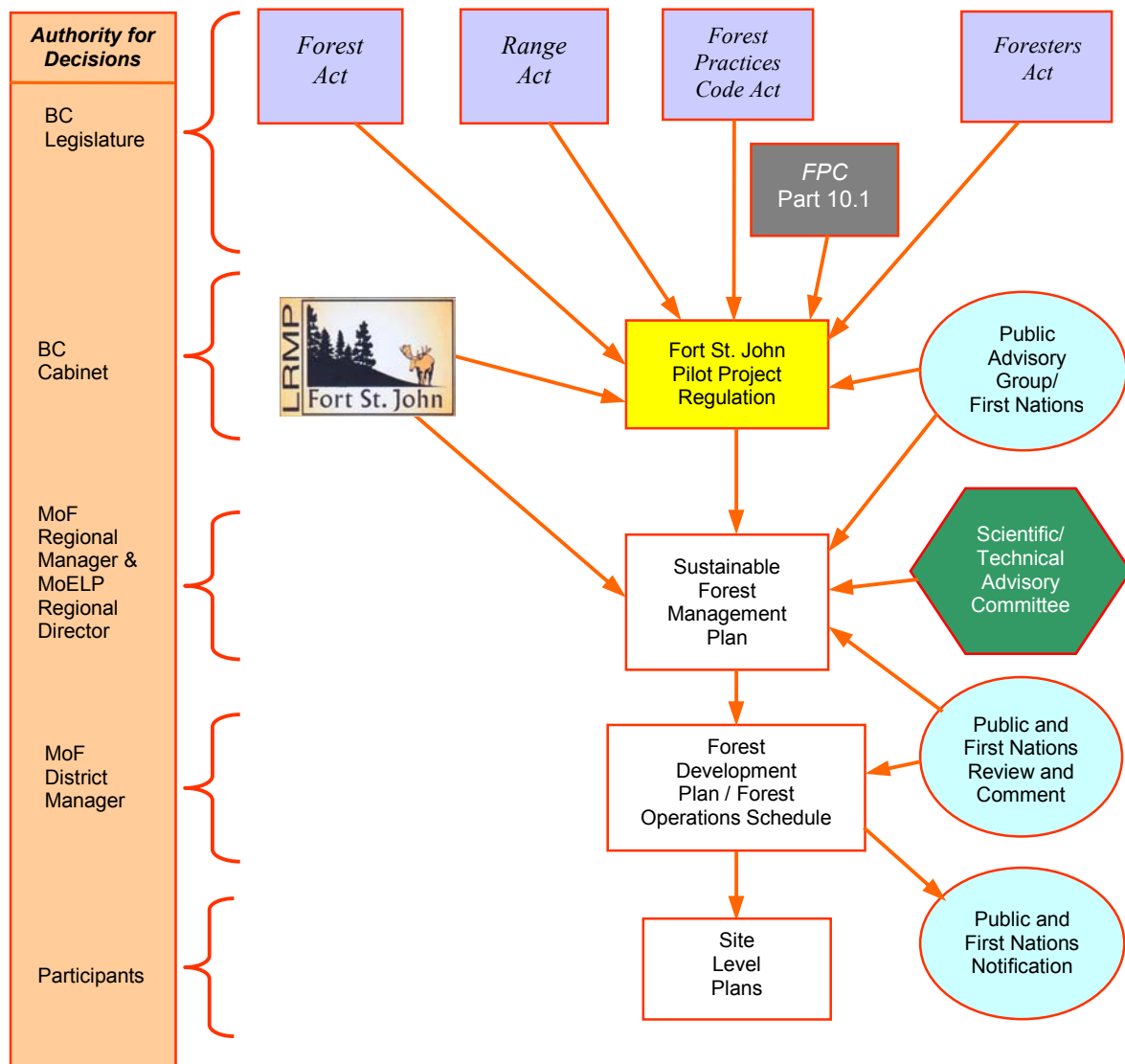
The Forest Enterprises Branch of the Ministry of Forests is responsible for managing the Small Business Forest Enterprise Program. The SBFEP is currently developing a province-wide environmental management system under ISO 14001 and has begun implementation with the Vancouver Forest Region in 2001 and is expected that implementation province-wide will occur in 2002. The Fort St. John SBFEP will begin the training phase of the provincial EMS in fall 2001 with the primary objective for all forest districts within the Prince George Forest Region obtaining ISO 14001 certification by summer 2002.



5 Proposed Planning Hierarchy

The hierarchy of legislation, regulations, strategic planning documents and operational plans that are proposed for the Fort St. John Pilot Project are shown in Figure 2. The diagram also indicates where decision-making authority lies for each element, and the interaction of the public in the various planning and approval processes. A description of each of the plans indicated, namely the Fort St. John LRMP, the Sustainable Forest Management Plan, the Forest Development Plan (or Forest Operations Schedule) and site level operational plans is provided in the following sections.

Figure 2 Hierarchy of Legislation, Regulations, Strategic Planning Documents and Operational Plans





5.1 Fort St. John Land and Resource Management Plan

The *Fort St. John Land and Resource Management Plan* (LRMP) was approved by Cabinet in October 1997. The plan incorporates the principles of integrated resource management into a long term plan (ten years) for Crown land and resource development within the planning area (the Fort St. John Forest District). The LRMP planning area is similar to the Fort St. John pilot project area.

The *Fort St. John LRMP* is the outcome of the deliberations of a range of local private citizens, stakeholders and government agency representatives. Each of the pilot project participants was represented at the planning table. The *Fort St. John LRMP* process incorporated a form of consensus-based decision-making that enabled general agreement on all issues.

The *Fort St. John LRMP* adopts the following principles as stated in the approved document.

- *Sustainable use of renewable natural resources, and;*
- *The management of any one resource shall take into consideration other resource values, rights, tenures, and development opportunities and shall recognize the biological and physical limitations of the land and resources. In addition, land and resource management objectives and strategies will incorporate the need to maintain or enhance the local quality of life, social and economic stability, and vitality of the local communities.*³

An implementation plan for the LRMP has been developed and is reviewed annually by a core of representatives from the original planning table. The implementation plan is under the direction of the Prince George Inter-Agency Management Committee.

Forest resource planning conducted by the participants, including the Sustainable Forest Management Plan, will be consistent with the objectives of the *Fort St. John LRMP*. The draft Fort St. John Pilot Project regulation formalizes this commitment by stating that the balancing of competing values and interests will be addressed through adherence to the stated resource management zone objectives in Part 3.2 of the LRMP document.

The Fort St. John LRMP also includes strategies for meeting the stated objectives. Forest management activities conducted by the participants will be consistent with the intent of the strategies of the LRMP.

5.2 Sustainable Forest Management Plan

5.2.1 Relationship with Legislation and Regulations

The Sustainable Forest Management (SFM) plan will meet applicable requirements of the *Forest Act*, the *Forest Practices Code Act* (including Part 10.1) and the Fort St. John pilot project regulation.

A portion of the Fort St. John pilot project area is contained within the Muskwa-Kechika Management Area, as defined in Bill 37-1998, the *Muskwa-Kechika Management Area Act*.

³ *Fort St. John Land and Resource Management Plan*, October 1997, page 7



The Preamble to the Act describes government's intent regarding the area. The Preamble states:

“Whereas the Muskwa-Kechika Management Area is an area of unique wilderness in northeastern British Columbia that is endowed with a globally significant abundance and diversity of wildlife;

And whereas the management intent for the Muskwa-Kechika Management Area is to maintain in perpetuity the wilderness quality, and the diversity and abundance of wildlife and the ecosystems on which it depends while allowing resource development and use in parts of the Muskwa-Kechika Management Area designated for those purposes including recreation, hunting, timber harvesting, mineral exploration and mining, oil and gas exploration and development;

And whereas the long-term maintenance of wilderness characteristics, wildlife and its habitat is critical to the social and cultural well-being of first nations and other people in the area;

And whereas the integration of management activities especially related to the planning, development and management of road accesses within the Muskwa-Kechika Management Area is central to achieving this intent and the long-term objective is to return lands to their natural state as development activities are completed;

Therefore her majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows (the Act):”

Section 8 (1) of the *Muskwa-Kechika Management Area Act* specifies that a prerequisite to the approval of a forest development plan in the Muskwa-Kechika Area is an approved landscape unit objective. The district manager maintains authority under the pilot project regime to establish landscape unit objectives, thereby satisfying the requirements of the *Muskwa-Kechika Management Area Act*.

The SFM plan and operational plans prepared under the pilot project will be prepared in conformance with the Foresters Act. The participants interpret the preparation of the SFM plan, FDPs, FOSs (Forest Operations Schedules), and site plans to fall under the definition of “the practice of professional forestry” outlined in the Act, and will therefore ensure those plans are prepared by, or under the guidance of, a British Columbia Registered Professional Forester. In fact a substantial under-pinning to the efficiencies to be gained by the pilot are dependent upon increased accountabilities and reliance upon professional foresters and other associated professionals in their preparation and support of their plans.

5.2.2 Relationship with Other Strategic Plans

The SFM Plan will be consistent with other approved strategic land use plans that are in effect in the Fort St. John TSA. At this time, the highest order approved strategic plan is the *Fort St. John LRMP*. However the Fort St. John LRMP is not a higher level plan. The LRMP is an expression of the values and goals of stakeholders and local citizens relative to land and resource use options in the TSA. As such, the LRMP will provide substantial direction in the formulation of the SFM Plan. More specifically, the draft pilot project regulation indicates that the SFM Plan will be consistent with the resource management zone objectives, thereby providing a vehicle for the implementation of the LRMP forest resource objectives. Insofar as many of the members of the pilot project public advisory group will also be members of the LRMP implementation working group, the participants



are confident that there will be strong consistency in interpretation and application of the objectives.

The Ministry of Forests Acting district manager and a designated official of the Ministry of Environment, Lands and Parks jointly approved the Graham IRM Plan in September 1998. In his approval letter of September 16, 1998, the acting district manager stated "...the joint approval status accorded the Graham IRM Plan represents a special situation in which special measures have been deemed appropriate so as to best achieve the spirit and intent of the Forest Practices Code of British Columbia Act, the *Fort St. John LRMP* and past commitments and expectations of stakeholders."⁴

In the years to come, a number of other strategic plans may be developed by government covering portions of the pilot project area. Examples include local strategic plans developed for the *Muskwa-Kechika Management Area*, such as recreation management plans, pre-tenure plans for oil and gas development, and wildlife management plans. Updates and amendments to the SFM plan will be consistent with the objectives approved in any declared higher level plans for the Fort St. John Pilot Area.

The participants are fully aware of the significance of the SFM plan in the pilot project and anticipate the plan will undergo a high level of scrutiny by the public, government agencies and the accreditors.

5.2.3 Process for Preparation of the SFM Plan

Under the requirements of the draft *Fort St. John Forest Practices Pilot Project Regulation, (PPR)* within 2 years of the pilot regulation coming into force the participants must submit a sustainable forest management plan to the regional manager and the regional director. A sustainable forest management plan, at a minimum, must contain landscape level strategies for:

- timber harvesting;
- road access management;
- patch size, seral stage distribution and adjacency;
- riparian management;
- visual quality management;
- forest health management;
- range and forage management.

Additional strategies may be developed for one or more of the following:

- reforestation;
- biodiversity management, including habitat management for wildlife;
- soil management;
- water quality management;
- recreation management;
- forest protection;
- forest resource inventory;
- research and operational trials;
- any other forest management attribute approved by the regional manager and

⁴ Proposal for selection of Graham South SMZ As A Special Management Zone Pilot, Submitted to the Prince George Inter-Agency Management Committee, November 30, 1998, Canadian Forest Products Ltd.



- regional director;
- public review and comment.

The participants recognize the need for a balanced approach to sustainable forest management and will endeavor to include landscape level strategies for each of the subject areas identified above in the first sustainable forest management plan.

However, should the participants be unable to include a strategy for one or more subjects, they will include reasons for their exclusion and a schedule indicating when they may be included as an amendment or as additions to future sustainable forest management plans.

Additionally, the participants will adhere to the *Canadian Standards Association (CSA) Sustainable Forest Management System* standard CAN/CSA-Z809 in the preparation of the SFM plan for the Fort St. John pilot project. *The Sustainable Forest Management (SFM) System*, when applied to a defined forest area (i.e. the Fort St. John pilot area) will establish management objectives that address the criteria and critical elements of the standard.

The Canadian Council of Forest Ministers criteria and critical elements for sustainable forest management are shown in Table 3.

Table 3 CCFM Criteria and Critical Elements		
	Criteria	Critical Element
1.	Conservation of Biological Diversity	Ecosystem Diversity Species Diversity Genetic Diversity
2.	Maintenance and Enhancement of Forest Ecosystem Condition and Productivity	Forest Health Ecosystem Resilience Ecosystem Productivity
3.	Conservation of Soil and Water Resources	Physical Environments Soil Resources Water Resources
4.	Forest Ecosystem Contributions to Global Ecological Cycles	Recycling Processes Utilization and Rejuvenation Forest Land Conversion
5.	Multiple Benefits to Society	Extraction Rates Competitive Investment Climate Market and Non-market Goods
6.	Accepting Society's Responsibility for Sustainable Development	Social Values Aboriginal and Treaty Rights Special and Unique Needs of Aboriginal Peoples Decision Making Process Fair and Effective Decision Making Informed Decision Making

These criteria, and the Values, Goals, Indicators and Objectives will be developed in concert with the Public Advisory Group.

Under CSA requirements an SFM plan must contain:

- A statement of values, goals, indicators and objectives
- A statement of management strategy
- A statement of management objectives for each indicator. Each statement will be quantified and have a predefined acceptable level of variance. A schedule for their achievement will be provided, including benchmarks that can be audited
- Current quantitative information for each indicator



- A description of the assumptions and analytic methods used for forecasting
- A description of the forest management activities to be undertaken. Forecasting of potential outcomes under various management scenarios.
- An implementation schedule of sustainable forest management activities
- A monitoring process
- A description of the process for continual improvement / adaptive management, including mitigation and remediation strategies
- A demonstration of the links between the SFM Plan and operational plans
- A description of the process for reporting results to the public and government agencies.

5.2.4 SFM Plan Term

The participants propose that the SFM plan have up to a six year term, with provision for annual reporting to the government and the public, and amendments (referenced in the draft pilot project regulation). Amendments to the SFM plan must be reviewed by the public advisory group and submitted to the regional manager and regional director for approval.

5.2.5 SFM System Framework

The CSA SFM System requires that the management process be consistent with the *ISO 14001 and ISO 14004* standards of the *Environmental Management System 14000 Series* established by the *International Organization for Standardization*.

The registration of an SFM system applied to a defined forest area will follow a successful independent third-party registration audit, which will assess that:

- a SFM system including quantified objectives for meeting sustainable forest management criteria has been established through a process of public participation;
- the SFM system is being implemented in a forest according to the plan for achieving the sustainable forest management objectives; and
- progress toward achieving the objectives is being monitored and learning is being used for continual improvement of the SFM system.⁵

The implementation of an SFM system requires two levels of commitment by registration applicants. The first level relates to a commitment by applicants to develop and adhere to environmental policy statements approved by boards of directors or other senior governing bodies, in support of the EMS. The policies must include vision, mission, guiding principles, codes of management practice and a commitment to meet or exceed all regulatory standards, policies and interpretations. Canfor and Slocan have developed an environmental policy that meets the requirements of the *ISO 14001* standard. Louisiana-Pacific and the Small Business Forest Enterprise Program are developing appropriate policies to meet the standard.

The second level of commitment involves improvement of all aspects of sustainable forest management performance through:

- periodic review of the SFM policy including the SFM plan

⁵ A Sustainable Forest Management System: Specifications Document CAN/CSA-Z809-96, October 1996, Canadian Standards Association



- documenting, communicating, or making readily available the registration applicants' SFM policy, including the SFM plan, to internal and external parties; and
- engaging the participation of directly affected and interested parties in the planning process.

The participants are confident that adherence to SFM system requirements will provide sufficient rigidity and rigor to the process for developing and implementing the SFM plan to meet the requirements of Part 10.1 of the *Code*. The continual improvement aspects of the SFM system will also effectively facilitate the process for enabling exemptions to current *Code* surrogate standards in the pilot project that do not effectively apply to the local forest conditions or planning environment.

The CSA SFM system recognises that there may be shared responsibilities for managing the forests on a defined forest area. There is an assumption that on publicly owned forests, responsibility and accountability for forest management is often shared between government and tenure holders. The SFM system demands, however that these responsibilities be defined. As the SFM plan for the pilot project is developed, the roles and responsibilities will be assigned to the participants and clearly communicated, internally and externally. It is possible that the non-government participants may assume, in part, a number of roles that have been traditionally the responsibility of the government. In any case, each party will be committed to the implementation and maintenance of the SFM system in its entirety.

5.2.6 Future Forest Condition and Adaptive Management

The participants envision that the SFM plan will establish strategic direction for all operational forestry plans for the pilot project area. The SFM plan will broaden the scope of sustainable forestry beyond traditional fibre production to include the setting of objectives for a series of ecological criteria that will ensure sustainability of both timber and non-timber forest resources.

The ecological approach to sustainable forest management planning focuses on the design of anthropogenic (man-made) development using the contexts of natural disturbances to best emulate and contribute to a desired future forest.⁶

Forecasting of future forest conditions is an important component of forest ecosystem management. It involves integrating existing knowledge of ecosystems and natural disturbance patterns with human uses and values to project an array of future forest conditions. The outcomes can be tested against an ecological baseline of what could occur naturally to ensure that human influence on the ecosystem through management practices falls within the range of natural variability. The process must be ongoing and it must involve continual input of new data and adjust to changes in the ecosystem or to changing human values and uses. Measurable targets must be established and if results diverge from predicted outcomes, adaptive management is used to adjust management practices.⁷

⁶ *Alberta Forest Conservation Strategy*, 1997

⁷ *Canfor's Forestry Principles*, 1999



The participants acknowledge that a credible adaptive management system must involve both active and passive programs and SFM plans must include a commitment to maintain a full range of measurement and monitoring activities.

5.2.7 Public Involvement in the SFM Plan

There will be three main components regarding the role of the public as it relates to SFM Plans.

1) Public Advisory Group

The participants will establish and maintain a Public Advisory Group comprised primarily of local citizens with an interest in sustainable forest management. Following approval of the pilot project, the group's initial role will be to provide input into the development of values, goals, indicators and objectives to address CCFM criteria and critical elements. Following that, the group will review the SFM Plan prepared by the participants and provide comments to them. Finally, the group will monitor implementation of the SFM Plan, review annual reports, audit results and proposed amendments and provide comments to the participants throughout the term of the plan.

The CSA SFM system recognizes that Canadian forests have a special significance to Aboriginal peoples. It further recognizes that the legal status of Aboriginal peoples is unique and they possess special knowledge and insights concerning sustainable forest management derived from their traditional practices and experience. Aboriginal forest users and First Nation communities thus require particular consideration in the public participation process.

2) Public Review and Comment of Draft SFM Plans

Prior to submission of SFM Plans to the regional manager and regional director for approval, a notice will be published locally, indicating that the plan is available for public review and comment. The public review period will be for at least 90 days. Copies of the plan will be made available to the public and presentations of the plan will be made in various locations throughout the Fort St. John TSA. Public comments and the participants' response to comments will be communicated to the Public Advisory Group and appropriate government agencies.

Public review and comment requirements for SFM Plans are specified in the draft pilot project regulation.

3) Public Access to Information

Various reports, assessments, plans and other information regarding the sustainable forest management plan and associated site plans will be readily available to the public. Copies of the following documents will be kept at the business premises of each of the participants:

- Any approved sustainable forest management plan
- Any active operational plan of the participants within the pilot project area
- Any audit report for the pilot project
- Any annual report for the pilot project
- Any compliance and enforcement determinations regarding activities carried out under the pilot project in the previous five years.



5.2.8 Role of the Scientific/Technical Advisory Committee

The CSA SFM system requires that individuals who implement the SFM system should be knowledgeable, competent, responsible and accountable for their duties. Registration applicants must ensure that individuals and contractors engaged in implementing the SFM plan have access to persons with the necessary technical expertise to undertake specific activities and to provide information, training and advice. Additionally, scientific or technical experts should be available to assist in the identification of appropriate indicators, objectives or strategies to address values and goals derived through the public participation process.

The project participants propose to establish a scientific/technical committee that will assist in the development and implementation of the SFM plan. The committee will be comprised of credible, expert individuals representing a variety of disciplines. The participants will consider representatives from the following disciplines for inclusion on the committee:

- Forest ecology
- Wildlife ecology
- Fisheries biology
- Hydrology
- Biometrics
- Soil science
- Natural resource economics
- Inventory and timber supply
- Forest estate modelling
- Traditional ecological knowledge

In addition, the participants propose to establish formal communication networks with appropriate research organizations, educational institutions and forestry companies. Table 4 shows established co-operative relationships with one or more of the project participants.

Table 4 Potential Research Contacts		
Research Organizations	Educational Institutions	Forestry Companies
Forest Engineering Research Institute, Vancouver	University of British Columbia, Vancouver	Daishowa-Marubeni International, Peace River, Alberta
National Centres of Excellence, Edmonton	University of Northern British Columbia, Prince George	Alberta Pacific Resources, Athabasca, Alberta
Foothills Model Forest, Hinton, Alberta	University of Alberta, Edmonton	Weyerhaeuser, Coastal Group, Nanaimo, BC
McGregor Model Forest, Prince George		Arrow TSA, IFPA
Sustainable Forest Management Network		

5.2.9 Enabling Innovative and Sustainable Forest Management

The participants propose to resolve the collective need to address resource inventory and the planning and monitoring capacities by proposing an IFPA-like (Innovative Forest Practices Agreement) agreement. An IFPA-like agreement may provide a form of provincial government funding mechanism. Most importantly it provides a means for forest investments in the future to have a real return in investment in the form of increased



harvest levels concomitant with the increases in forest productivity gained through the activities bound in the agreement.

The participants are continuing their collaboration on all facets of implementing and realizing the full benefits of the SFM framework as proposed and enabled in pilot regulation.

As with most efficiency gains and competitive edges to be earned in today's business world, they all begin with superior information and management of information to monitor progress and adaptively manage to changes in the business model (i.e., to changes in the forest, social or economic responses or conditions).

The participants have examined the base information that will be the basis of the SFM Plan. While we recognize that the SFMP can and will be built using the best available information, we further recognize that the suite of resource inventory information needs to be strengthened in order to provide more certain benchmarks and indicators of change for managing our forests with the levels of certainty required.

The resource inventory deficiencies that have the greatest priority in the Ft. St. John TSA are:

- Forest cover inventory, including terrain, site series and wildlife habitat
- Forest growth and yield, including strengthened baseline and response-level data; stand and forest level models with successional factors in mixedwood models
- Landscape ecology natural disturbance patterns, including tolerances and variance limits
- Cultural heritage inventories that enable strategic and operational planning efficiencies
- Co-ordinated access management inventories

Furthermore, there is an urgent need to expand the capacity of strategic - operational scenario planning tools to deal with the development and monitoring of the SFM Plan for a very large TSA. Several options exist, but all require additional development for full implementation and use in this area of the province.

5.3 Forest Development Plan

The participants consolidated forest development plan will have the same period, term, content, and public review requirements as the standard legislation.

We expect the consolidated forest development plan and integrated planning processes to provide significant environmental, economic and social benefits.

For example, co-ordination of access routes by the participants should reduce the amount of road construction, the number of stream crossings and access management problems for wildlife and crown range users. Also, co-ordination of the spatial and temporal arrangement of harvest and leave areas and successional planning for mixedwoods will help the participants address a number of landscape level issues such as timber species composition and the maintenance of wildlife habitat.



Economic benefits could be realized in several areas:

- the participants will benefit from a reduction in staff time and associated planning costs,
- optimized delivered log costs from at least the mixedwood forest areas, and
- the reviewing agencies will benefit by having to review and approve fewer forest development plans.

A social benefit to the public and local First Nations communities will include the ability to review and comment on all proposed forestry activities in the pilot area at one time, in one location. This will undoubtedly improve the efficiency and effectiveness of the public review and comment process.

In addition to providing opportunities for public review of FDPs, the participants will notify identified non-timber tenure holders and First Nations of activities.

5.3.1 Forest Operations Schedule

After a sustainable forest management plan has been approved the participants may prepare and submit to the district manager a forest operations schedule (FOS). The FOS, which replaces the FDP, will identify the areas where timber harvesting and road construction are proposed. Each activity and its location will be referenced to the licence (Forest Licence, Timber Sale Licence or Pulpwood Agreement) to which it applies. All forest operations carried out under a FOS must be consistent with the SFMP.

The forest operations schedule is subject to the same public review and comment process as a FDP. The district manager will not formally approve the schedule but may withhold the authorization of specific operations if they do not adequately manage and conserve the forest resources.

Submission of appraisal information to the Ministry of Forests by the participants will trigger the issuance of timber marks, the determination of stumpage rates and the eventual authorization of road construction and harvesting.

5.4 Site Plans

The environmental management system (EMS) proposed for the pilot project contains numerous references to site plans. These plans are the primary source of information for those individuals responsible for carrying out activities on the ground within the pilot project area. The content requirements, preparation and communication of these plans are specified in the various operational controls within the EMS. Accountability for the various activities prescribed in the site plans is also clearly identified under the requirements of the EMS.

The draft pilot project regulation specifies that the participants must prepare site plans that are comparable to silviculture prescriptions, stand management prescriptions, and various road related operations. These site plans are not ordinarily reviewed and approved by the district manager. Internal controls will ensure that site plans are consistent with the SFM Plan, the FDP/FOS and associated forest management objectives and strategies. The draft pilot project regulation provides opportunity for the district manager to direct the participants to provide notification to the district manager prior to implementing any particular site plan. The district manager may also establish policies regarding notification and may order the participants to refer a site plan to another resource agency. The draft regulation also specifies that the district manager may notify the participants that they may not proceed with operations associated with a



site plan if it is determined that the operations described in the site plan will not adequately manage and conserve the forest resource on the area affected.

5.5 Planning Processes

The following three figures show the planning processes under different regulatory scenarios. Figure 3 displays the process under the Code and Figures 4 and 5 display the processes under the PPR. The process shown in Figure 5 does not come into effect until a SFMP has been completed.

Figure 3 Current Process Under Forest Practices Code

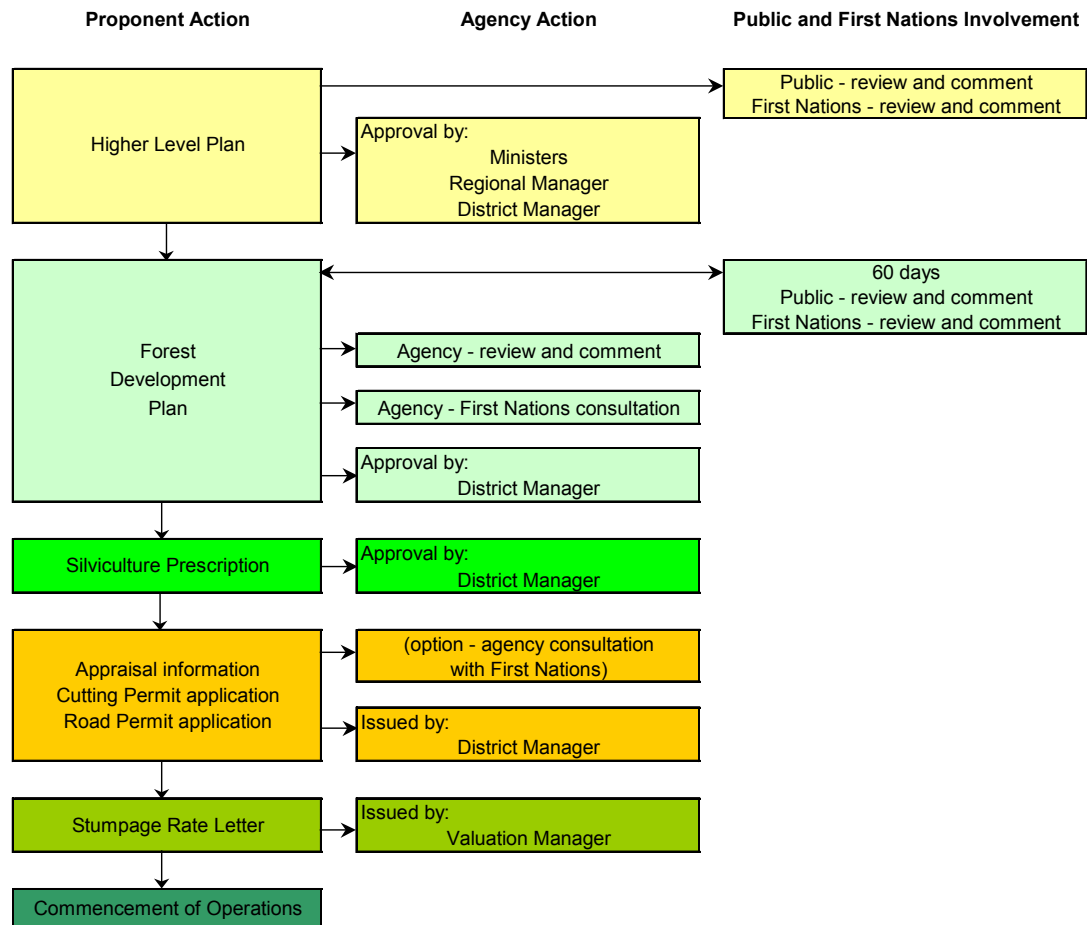




Figure 4 Process Under Pilot Transition

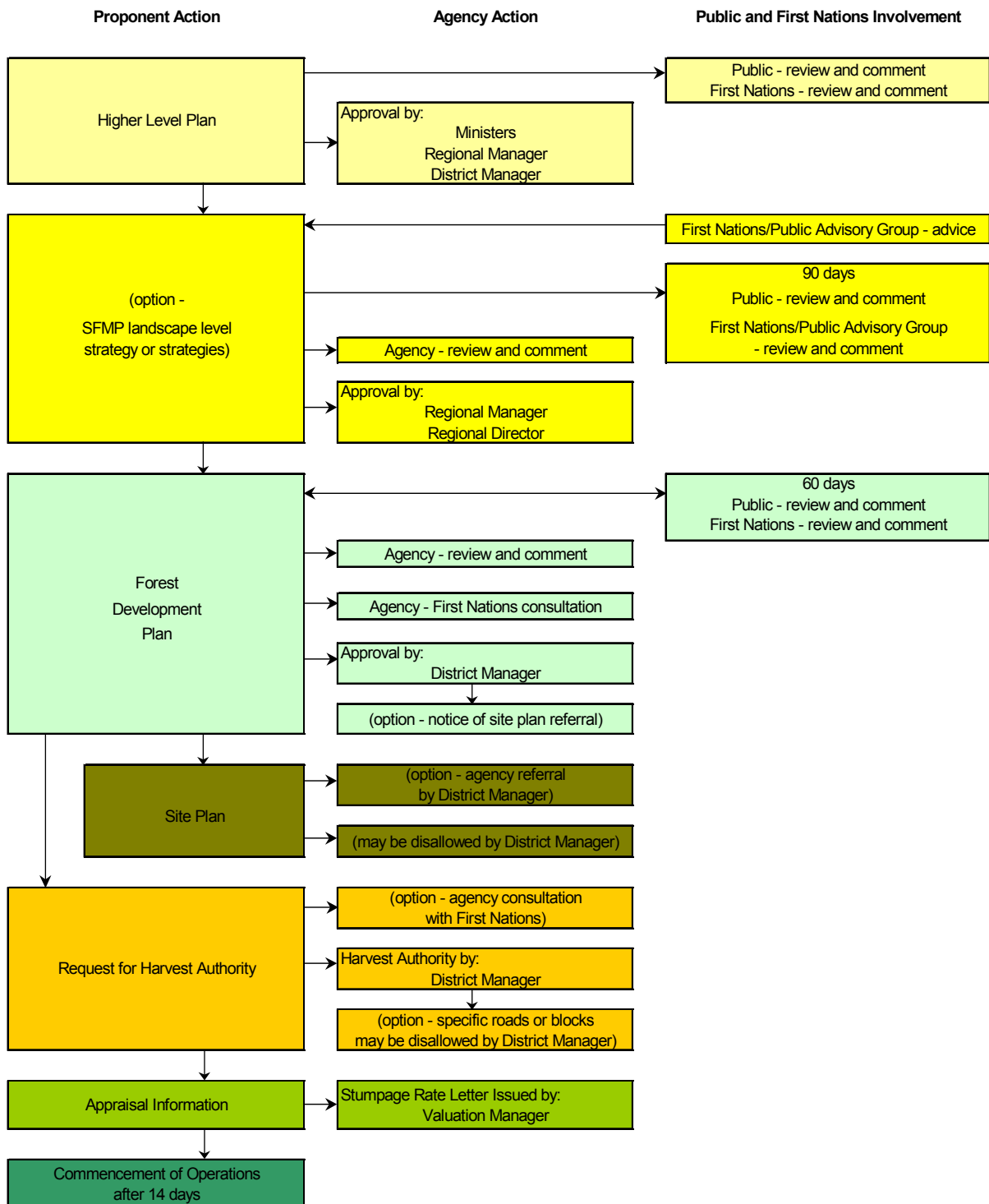
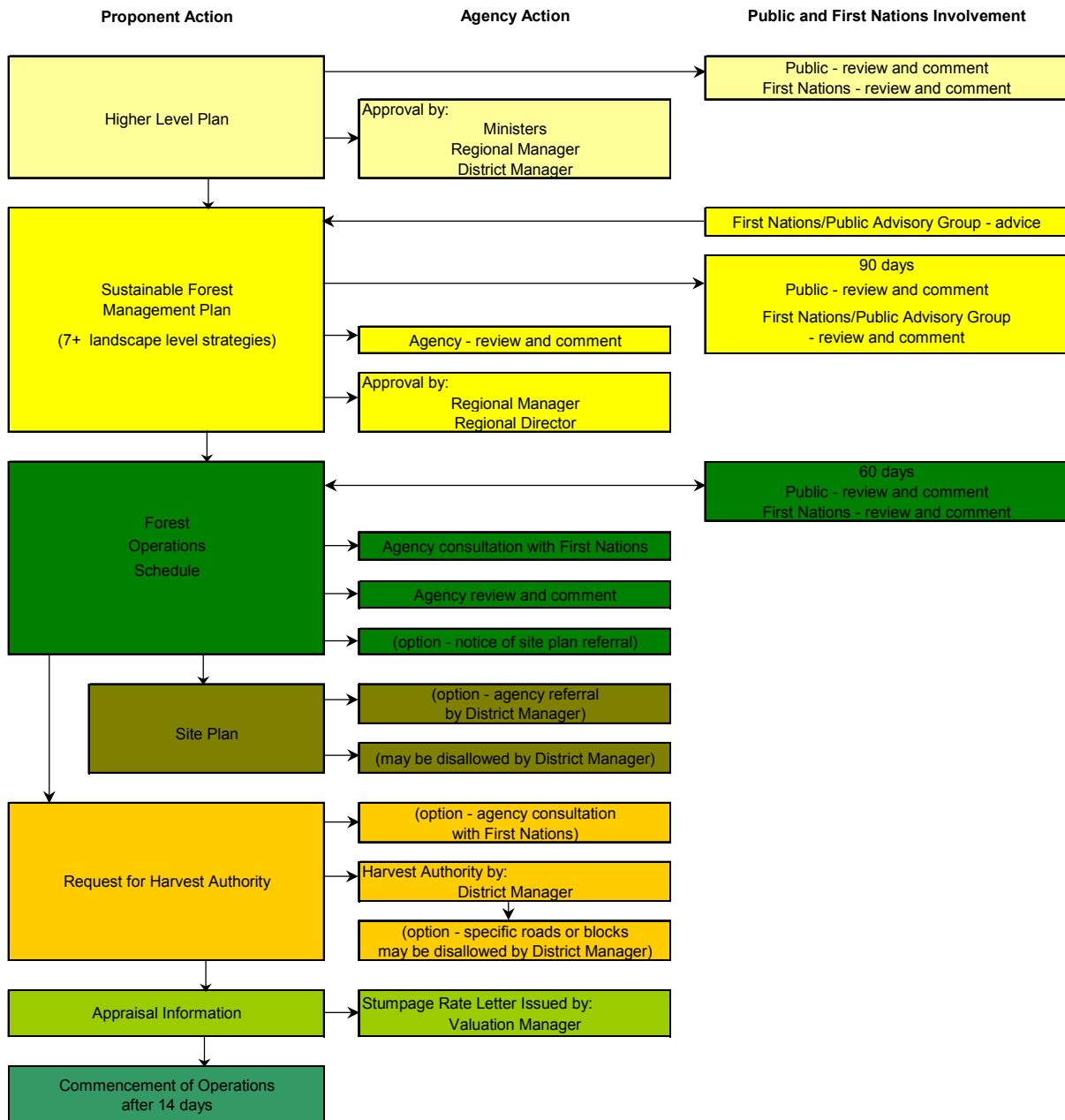




Figure 5 Process Under Pilot





6 Public Involvement

6.1 Public Advisory Group

The participants are committed to provide ongoing opportunity for the public to be involved in the Fort St. John pilot project planning and monitoring activities. A key element in the public oversight component is the establishment of a public advisory group. The participants have already undertaken significant work in this regard and have accomplished the following:

- 1) A credible, experienced facilitator has been retained by the participants to facilitate Public Advisory Group meetings.
- 2) On June 22, 2000 the participants hosted a public information meeting in Fort St. John to explain the objectives of the Fort St. John pilot project and invite volunteers to participate on the public advisory group. Approximately 160 local citizens attended the meeting. Those in attendance supported a list of interests presented by the participants with additions provided from the floor. Consensus was reached that one person would represent each interest.

Attendees of the public information meeting who wanted to participate on the committee were asked to complete a form and submit it to the participants by June 30, 2000. Volunteers were asked by the participants to contact those persons who indicated a desire to represent the same interest and jointly decide who will be the representative.

- 3) A series of additional public meetings were held on:
 - January 24, 2001
 - February 26, 2001
 - March 28, 2001
 - April 18, 2001
 - May 8, 2001
 - June 14, 2001
 - July 12, 2001

Through these meetings, a terms of reference for the public advisory group was developed and agreed upon.

- 4) Following is the list of interests to be represented on the public advisory group as finalized at the April 18, 2001 public meeting:
 - Urban communities
 - Rural communities
 - Commercial Recreation
 - Aboriginals
 - Environment / Conservation
 - Labor
 - Forest Contractors / Workers
 - Oil and Gas Industry
 - Non-commercial recreation – fishing, hunting
 - Non-commercial recreation – non-consumptive
 - Trapping
 - Range / Agriculture / Private woodlots

The public advisory group reviewed the detailed pilot project proposal and draft pilot project regulation and provided comments to the participants during the public review period.

On July 12, 2001 the Public Advisory Group accepted the draft proposal as an attempt to improve the regulatory framework for forest practices.



A schedule of public advisory group meetings for approximately the next two years has been drafted in preparation for the group's contribution on the development of an SFM plan.

6.2 First Nations Participation

The SFM planning process will provide First Nations with enhanced opportunities to participate in forestry planning through participation on the Public Advisory Group. However, should local First Nations prefer to participate in the SFM planning process in a parallel process as a separate group from the PAG, the participants will accommodate this arrangement. The participants will be responsible for ensuring that strong linkages between the two groups are retained.

The scope of the committee will include timber and non-timber values identified by First Nations as being important. The planning horizon will be sufficiently long to enable forecasting of "future forest conditions" under various development scenarios thereby providing an opportunity to investigate First Nations concern about the cumulative impacts of forest development. Finally, the consolidation of planning will enable First Nations to see all proposed forestry activities in a specific area on the same map. Each of these aspects will improve the participants' and government's ability to identify and address First Nations concerns. The participants will be responsible for balancing the values expressed by aboriginal and non-aboriginal participants in the public involvement process while respecting the existing treaty rights of local First Nations people.

Currently, each of the licensee participants is negotiating agreements with individual Treaty 8 First Nations that will create opportunities to improve relationships. These agreements vary in content, but are similar in that they address a number of economic issues. The participants believe it is important to separate economic issues, such as those addressed in their individual agreements, from issues related to the pilot project. Under the pilot project, the participants hope to focus attention on the environmental and cultural issues related to forestry that affect First Nations. They envision the development of Memoranda of Agreement between the participants and local First Nations that will address issues such as forestry education, participation in planning and consultation, and opportunities in harvesting and silviculture.

6.3 Opportunity for Public Review and Comment

Opportunities for public review and comment on proposed plans will be equivalent to, or exceed requirements under the *FPC* and associated regulations. Details of proposed opportunities are included in Table 5.

6.4 Provisions for Public Notification

First Nations and potentially affected tenure holders and stakeholders will be notified by the participants at both the forest development planning/forest operations schedule stage and prior to the commencement of operations such as harvesting and road construction, as is required currently. Responsibility and process for notification will be clearly defined in EMS operational controls.

Table 5 indicates the range of plans that will prompt notification. Also, the table describes the range of opportunities for public involvement with respect to various planning documents and pilot project activities. The left-hand column indicates two phases for the pilot project. Phase 1



is the period prior to the pilot project regulation being approved. Phase 2 is the period following approval of the regulation.

Table 5 Provisions for Public Participation				
Pilot Project Plan or Activity	Opportunity for Public Participation	Opportunity for First Nations Participation	Opportunity for Public Review and Comment	Public Notification of Commencement of Activity
PHASE 1				
Draft detailed pilot project proposal	Formation of the Public Advisory Group January 24, 2001 Public Advisory Group will review public comments and participant responses and report to government	Public Advisory Group or First Nations Advisory Group	Community presentation and discussion period at Fort StJohn Meeting with BC Environmental Network representatives Presentations to local First Nations Presentation to LRMP Implementation Working Group Presentation to Muskwa-Kechika Advisory Board Presentations to provincial interest groups Copies of proposal available at participant offices in Fort St. John and Prince George Proposal posted on MoF and Canfor web sites Copies available for review at participant offices	
Draft pilot project regulation	Same as above	Same as above	Same as above	
PHASE 2				
Sustainable Forest Management Plan	Public Advisory Group input on values, goals, indicators and objectives	Public Advisory Group or First Nations Advisory Group	Advertise draft plan for 90 days Public presentation and display in local communities Presentations to local First Nations Presentation to LRMP Implementation Working Group Review of comments and participant responses with Public Advisory Group Copies available for review at participant offices	
SFM Plan Amendments	Annual review of pilot project by Public Advisory Group may prompt changes to SFM Plan	Annual review of pilot project with First Nations	Annual progress report, including updates and amendments presented to Public Advisory Group Copies available for review at participant offices	
Forest Development Plans or Forest Operations Schedule		Memoranda of Agreement	Advertise in local newspapers Presentation to Public Advisory Group Presentation to local First Nations Display in local communities Copies available for review at participant offices	First Nations and affected tenure holders and stakeholders notified of proposed upcoming activities
Site level Operational Plans			Copies available for review at participant offices	First Nations and affected tenure holders and stakeholders notified of proposed upcoming activities
Audits	Representative of Public Advisory Group invited to attend		Audit reports presented to Public Advisory Group Audit action plans presented to Public Advisory Group Copies of audits and audit action plans available for review at participant offices	
Annual Reports			Presentation to Public Advisory Group and local First Nations Copies available for review at participant offices	



7 Quality Assurance Mechanisms

7.1 Environmental Management System Function

The participants have agreed to develop and apply an Environmental Management System(s) for all pilot project forest operations. The participants have committed to develop and adhere to environmental policy statements approved by boards of directors or other senior governing bodies, in support of the EMS. Canfor and Slocan have developed an environmental policy that meets the requirements of the *ISO 14001* standard. Louisiana-Pacific and the Small Business Forest Enterprise Program are developing appropriate policies to meet the standard. There has also been agreement that the EMS to be implemented within the pilot project will meet the requirements of the *ISO 14001* standard. Given that Canfor has already implemented a certified EMS at its Fort St. John operations, it is likely that the pilot project EMS will be similar in structure, appearance and application to Canfor's EMS. Therefore, for the purposes of explaining the role of the EMS as a quality assurance mechanism, Canfor's EMS will be used as a template.

7.1.1 EMS Elements

An environmental management system certified to the *ISO 14001* standard must consider and address the following elements.

Environmental Policy

Top management in the organization must define the environmental policy. Management must ensure that the policy:

- ◆ Is appropriate to the nature, scale and environmental impacts of the activities
- ◆ Includes a commitment to continual improvement
- ◆ Includes a commitment to comply with relevant legislation and regulations
- ◆ Includes a commitment to prevent pollution
- ◆ Provides the framework for setting and reviewing environmental objectives and targets
- ◆ Is documented, implemented and maintained and communicated to all employees

Environmental Aspects

An environmental aspect is any element of an organization's activities that can interact with the environment. Those activities that can have a significant environmental impact are considered significant aspects. The organization must maintain procedures to identify aspects, determine those that are significant and consider them when setting its environmental objectives.

Legal and Other Requirements

The organization must establish and maintain a procedure to identify and have access to legal and other requirements that are applicable to the environmental aspects of its activities.

Objectives and Targets

The organization must establish and maintain documented environmental objectives and targets, at each relevant function and level within the organization. When establishing and reviewing its objectives, the organization must consider the legal and other requirements, its significant environmental aspects, its technological options and its financial, operational and business requirements, and the views of interested parties.



Environmental Management Programs

The organization must establish and maintain programs for achieving its objectives and targets. Programs must include designation of responsibility for achieving objectives and targets at each relevant function and level of the organization and the means and timeframe by which they will be completed.

Table 6 contains a sample outline of the contents of an annual environmental program for the pilot project.

Table 6 Sample Outline for Environmental Programs	
1.	Planning Program
a)	Significant Environmental Aspects and Values
b)	Goals and Objectives
c)	Structure and Responsibilities
d)	Competencies
e)	Operational Controls
f)	Pre-work Requirements
g)	List of Standard Operating Procedures
h)	List of Work Instructions
i)	List of Forms
j)	List of Regional Supplements and Standards
k)	List of Tools for Monitoring and Tracking
l)	Implementation (i.e.: Action Plan for Program)
m)	Targets / Indicators / Actions / Budgets / Timing / Responsibilities
n)	Monitoring and Measuring Performance
o)	Inspections
p)	Non-Conformance and corrective and preventative action
q)	Progress and Performance Reporting
r)	Records
s)	Storing and Maintaining Records
t)	Review (Continual Improvement)
2.	Roads Program
3.	Harvesting Program
4.	Silviculture Program
5.	Facilities, Fuel and Waste Management Program
6.	Forest Protection Program
7.	Emergency Preparedness and Response

Structure, Roles and Responsibility

Roles, responsibility and authorities need to be defined, documented and communicated by the organization. Management must provide resources essential to the implementation and control of the EMS. Resources include human resources with the appropriate skills, technology and financial resources.

Training, Awareness and Competence

The organization must identify training needs and require that all personnel whose work may create a significant impact on the environment have received appropriate training. Personnel performing tasks that can cause significant environmental impacts must be competent on the basis of appropriate education, training and/or experience.

Communication

The organization must establish and maintain procedures for internal communication between the various levels and functions of the organization. In addition, it must establish and maintain procedures for receiving, documenting and responding to relevant communication from external interested parties.



EMS Documentation

The organization must establish and maintain information in paper or electronic form to describe the core elements of the EMS and provide direction to related documentation.

Document Control

The organization must establish and maintain procedures for controlling all documents required by the EMS standard. Documentation must be legible, dated, and readily identifiable, maintained in an orderly manner and retained for a specified period of time. Procedures and responsibilities must be established and maintained concerning the creation and modification of the various types of documents.

Operational Controls

The organization must identify those operations and activities that are associated with the identified significant environmental aspects in line with its policy, objectives and targets. The operations and activities must be planned to ensure they are carried out under specified conditions by:

- Establishing and maintaining documented procedures to cover situations where their absence could lead to deviations from the environmental policy and the objectives and targets
- Stipulating operating criteria in the procedures
- Establishing and maintaining procedures related to the identifiable significant environmental aspects of goods and services used by the organization and communicating relevant procedures and requirements to suppliers and contractors

Emergency Preparedness and Response

The organization must establish and maintain procedures to identify potential for and respond to accidents and emergency situations, and for preventing and mitigating the environmental impacts that may be associated with them. The organization must review and revise, where necessary, its procedures, in particular after the occurrence of an accident or emergency situation. Procedures must also be tested periodically.

Monitoring and Measurement

The organization must establish and maintain documented procedures to regularly monitor and measure the key characteristics of its operations and activities that can have a significant impact on the environment. This must include the recording of information to track performance, relevant operational control and conformance with the organization's environmental objectives and targets. The organization must also establish and maintain a documented procedure for evaluating compliance with relevant environmental legislation and regulations.

Non-Conformance and Corrective and Preventive Action

The organization must establish and maintain procedures for defining responsibility and authority for handling and investigating non-conformance, taking action to mitigate any impacts caused and for initiating and completing corrective and preventive action.

Environmental Records

The organization must establish and maintain procedures for the identification, maintenance and disposition of environmental records. The records must include training records and the results of audits and reviews. Records must be maintained to demonstrate conformance to the requirements of the ISO standard.



EMS Audits

The organization must establish and maintain a program and procedures for periodic EMS audits to be carried out, in order to:

- ◆ Determine if the EMS conforms to the ISO standard
- ◆ Determine if the EMS has been properly implemented and maintained
- ◆ Provide information on the performance of the EMS to management

Audit procedures must include description of the audit scope, frequency, methodologies, responsibilities and requirements for conducting audits and reporting results.

Management Review

The organization's top management must, at defined intervals, review the EMS to ensure its continuing suitability, adequacy and effectiveness. The management review process must ensure that necessary information is collected to allow management to carry out the evaluation. The review must be documented. The management review must address the possible need for changes to policy, objectives and other elements of the environmental management system in light of EMS audit results, changing circumstances and the commitment to continual improvement.



8 Meeting Legislative Tests

Part 10.1 of the FPC sets out a number of requirements proposed pilot projects must meet. The following sections describe how the participants propose to address three key requirements: balancing competing values and interests, protection of forest resources and resource features, and provision of monitoring and evaluation criteria. Indication of how the participants propose to meet other legislated tests set out in Part 10.1 are described in Section 10 of this proposal.

8.1 Balancing Competing Values and Interests

Under Section 221.1(5), *FPC*, pilot projects may only be established in an area that is subject to a higher level plan or is subject to a regulation under section 221.1(7) for balancing competing values and interests. The participants propose that the Fort St. John pilot project regulation include provision for the latter. We are confident that the process for balancing competing values and interests described in this detailed proposal will adequately satisfy the legislative requirements. The key components of the process are:

- The draft pilot project regulation includes provision for the sustainable forest management plan to be consistent with the resource management zones and resource management zone objectives of the Fort St. John LRMP
- The pilot project regulation will include provision for involving the public in the development, implementation and monitoring of the SFM Plan. Public input will include identification of values, goals, indicators and objectives (targets) to address the CCFM criteria and critical elements
- Within the authority provided under Section 4(1), (3) and (5), *FPC*, the district manager of forests and the designated environment official may establish forest management objectives contained in the SFM Plan as landscape unit objectives.

8.2 Protecting Forest Resources and Resource Features

Under Section 221.1(3) (b), *FPC*, pilot projects:

- (i) will provide at least the equivalent protection for forest resources and resource features as that provided by the Act;*
- (ii) will be consistent with the preamble of the Act; and*
- (iii) will provide for adequate management and conservation of forest resources*

The participants will address the stated requirements through:

- implementation of the proposed environmental management system with a rigorous third party audit requirement,
- retention of the forest development plan until the SFMP is in place,
- creation and implementation of the SFM Plan,
- implementation of the forest operations schedule (including the same level of public review and comment), and
- site plans which provide equal to, or greater opportunity for the district manager to withhold authorizations or allow variances to the proposed practices.

The proposed regulation also provides for significant penalties, consistent with those of the standard legislation, for breaches of the Act and regulations.



8.3 Monitoring by Government

Under Section 221.1(3) (d) of the FPC, the pilot project regulation must “adequately provide for monitoring...” The draft pilot project regulation addresses this requirement by assigning responsibility for annual assessment of the level of performance of each of the participants to the regional manager. Furthermore, the draft regulation specifies that the regional manager must consider the following information in the assessment:

- Pilot project audit reports
- Annual pilot project reports
- Any information provided by the Forest Practices Board
- Any other information the regional manager determines to be significant

The mandate of the Forest Practices Board will extend to the project and the project regulation.

8.4 Evaluation Criteria

Section 221.1(3)(d), *FPC* states that the pilot project regulation must adequately provide for evaluation criteria for the proposed pilot project. The participants have proposed criteria that are directly related to government’s stated objectives for the pilot project legislation (David Zirnhelt, June 21, 1999 and February 14, 2000). The objectives were outlined in British Columbia government issued news releases. In summary, the government’s stated objectives for the pilot projects are:

- Test forest management methods that focus on results rather than rules
- Allow government to determine if British Columbia is ready to move to a more performance-based code
- Provide efficiencies for industry, including cost reductions
- Provide for public participation
- Maintain equivalent protection for forest resources as that provided under the Code
- Provide opportunity for government to continue to consult with First Nations and ensure the legal obligation to prevent unjustifiable infringement of aboriginal rights and title is met

Additionally, the draft pilot project regulation addresses the Section 221.1(3) (d), *FPC* requirement for evaluation criteria. The draft regulation specifies that the government may assess the relative success of the pilot project in improving the regulatory framework for forest practices compared to that legislated under the FPC. The assessment may include an evaluation of the pilot project in the following areas.

- Does the pilot project provide equivalent protection for forest resources and resource features as provided under the FPC and regulations?
- Is the pilot project consistent with the Preamble to the Code?
- Does the pilot project provide for adequate management and conservation of the forest resources?
- Does the pilot project provide for monitoring?
- Does the pilot project provide adequate public access to planning documents and assessments used in the project?
- Is the pilot project cost effective for the participants and for government?
- The participants will provide information to the government to assist in conducting evaluations of the pilot project, including the comparative costs associated with carrying out forest practices under the pilot project and under the FPC and regulations before the pilot project was enabled. Table 7 provides examples of criteria and indicators for



evaluation of the pilot project with respect to economic, environmental and social benefits provided.

Table 7 Sample Criteria and Indicators for Evaluation of the Pilot Project				
Criteria	Indicator	Reporting by Participants and Government Agencies		
		Industry Participants	SBFEP	Government Approval Agencies
Economic Benefits Provided				
Improve efficiency of planning and approval processes				
<ul style="list-style-type: none"> • Site plan preparation • Site plan review and approval • FDP preparation • FDP review and approval • FOS preparation • FOS review & approval • SFM Plan and other strategic plans preparation • SFM Plan and other strategic plans review and approval • Statutory decision maker involvement • Total planning and approval cost 	Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Person days employed/cubic metre of harvest/year Number of decisions by the MoF district manager related to pilot project activities per year \$/cubic metre of harvest/year			
Reduce operational costs	\$/cubic metre for roads, harvesting & silviculture activities on an annual basis			
Reduce liability costs	\$/cubic metre for roads & silviculture			
Increase standing timber inventory	Volume of timber (cubic metres) prepared and approved for harvest/month in inventory			



Table 8 Sample Criteria and Indicators for Evaluation of the Pilot Project				
Criteria	Indicator	Reporting by Participants and Government Agencies		
		Industry Participants	SBFEP	Government Approval Agencies
Environmental Benefits Provided				
Increase environmental awareness	Number of people in the Forest District who have completed EMS training			
Increased sustainable forest management	Forest productivity rates (LTHL)			
Improve environmental protection <ul style="list-style-type: none"> • Environmental damage • Regulatory compliance • EMS conformance • Effectiveness and efficiency of strategic planning • Forest Practices Board audits 	Number of contraventions resulting in damage to the environment Number of regulatory non-compliances/year Number of EMS non-conformances/year Measurable strategic indicators implemented sooner than in adjacent forest districts Results of MoF and MoELP surveys on effectiveness of strategic planning FPB audit results on pilot project activities compared to audit results from other areas of the province			
Social Benefits Provided				
Augment LRMP implementation	Number of RMZ objectives implemented with measurable indicators			
Augment landscape unit objective establishment	Number of declared Landscape Unit Objectives prior to date indicated in government implementation schedule			
Increase opportunities for public and First Nations input <ul style="list-style-type: none"> • Quantity of participation and consultation opportunities • Effectiveness of participation and consultation activities 	Number of public and First Nations Advisory Group meetings Attendance at public and First Nations Advisory Group meetings Number of people attending open houses and stakeholder meetings Number of public comments Results of surveys on effectiveness of participation and consultation			



9 Implementation Timelines

Following are suggested key implementation milestone dates for the Fort St. John pilot project.

- Submission of first draft of detailed project proposal to the MoF/MoELP regional working group – June 5, 2000 (done)
- Community information meeting in Fort St. John – June 22, 2000 (done)
- Identification of public advisory group participants – (initial list prepared prior to June 22, 2000 meeting and invitations sent to those identified)
- Participants complete draft regulation - July 2000 (done)
- Submission of first proposed draft regulation to MoF/MoELP regional working group – July 14, 2000 (done)
- Submission of revised draft regulation to legislative council – September 2000 (done)
- Full project presentation by participants to regional working group – October 19, 2000 (done)
- Review of detailed project proposal and draft regulation by Joint Steering Committee– February 2001 (done)
- Detailed project proposal and draft regulation advertised – February 27 to April 27, 2001 (done)
- First meeting of Public Advisory Group – January 24, 2001 (done)
- Cabinet approval of regulation – October 2001
- Completion of consolidated FDP – November 2001
- ISO registration audits – April 2003
- Completion of CCFM criteria and critical elements matrix for public values, goals, indicators and objectives – June 2003
- First pilot project annual report issued – June 2003
- Completion of SFM Plan – December 2003
- Approval of SFM Plan - April 2004
- CSA registration audit – April 2004



10 Summary of Internal and External Controls

Table 8 summarizes the elements and actions the participants will use to address the requirements of Part 10.1 of the *Forest Practices Code Act* in the Fort St. John pilot project. Internal controls are those elements that are not specifically required by legislation or regulation (for example, the Environmental Management System). External controls refer to those controls that are requirements under the draft pilot project regulation. Reference is not made to those portions of the *Forest Act* and the *Forest Practices Code Act* that will still apply to the pilot project. Numeric references regarding CSA CCFM criteria and critical elements relate to the CAN/CSA-Z809-96 Specifications Document.

Table 9 Forest Practices Code Requirements

Requirements	Environmental Management System (EMS)	CSA CCFM Criteria and Critical Elements	Fort St. John LRMP	Other Elements
1. Forest Statutes Amendment Act FPC Part 10.1 (Pilot Projects)				
Sec 221.1 (1)	The Lieutenant Governor in Council (LginC) may make regulations respecting pilot projects to experiment with ways to improve the regulatory framework for forest practices.			The project participants will implement the pilot project in accordance with the pilot project regulation.
(2)	Without limiting subsection (1) for the purposes of a pilot project the LginC may order by regulation that provisions of existing Acts do not apply to the SBFEP, District Manager or a holder of an agreement (tenure licence)			All participants are eligible
(3)(a)(i)	Public review and comment on Pilot Project	MSP-I-03 Public Communication	4.4.6 (d) (e) (f)	Public Advisory Group, First Nations Advisory group
(3)(a)(ii)	Comments and actions on public review and comment	MSP-I-03 Public Communication	4.4.6 (d) (e) (f)	Public Advisory Group, First Nations Advisory Group
(3)(b)(i)	Protection for forest resources and resource features	Policy, MSP-P-01 Aspects, MSP-P-02 Legal and Other Requirements, MSP-P-03 Objectives and Targets and Environmental Programs, MSP-I-01 Training, MSP-I-04 Approve Contractors and Review Contractor Performance, MSP-I-07 Emergency Preparedness and	4.4.1, 4.4.2, 4.4.3, 4.4.4	Principles, General management direction, RMZ Objectives
				Pilot project regulation Other applicable acts, ABCPF professional accountability, Scientific/Technical Advisory Committee, Roles of participants, agencies, public and First Nations in monitoring and auditing will be specified in SFM Plan



Requirements		Environmental Management System (EMS)	CSA CCFM Criteria and Elements	Fort St. John LRMP	Other Elements
		Response, MSP-C-02 Environmental Audit Program, MSP-M-01 Management Review, SOPs (All), WIs (All)			
(3)(b)(ii)	Consistent with Preamble to Code				Pilot project regulation
	(a) managing forests to meet present needs without compromising the needs of future generations,	Policy	4.4.5	Vision, Principles, General Management Direction	Pilot project regulation Timber Supply Review, Public Advisory Group, First Nations Advisory Group SFM Plan
	(b) providing stewardship of forests based on an ethic of respect for the land,	Policy	All	Vision	Professional accountability
	(c) balancing economic, productive, spiritual, ecological and recreational values of forests to meet the economic, social and cultural needs of peoples and communities, including First Nations,	Policy MSP-P-01 Aspects MSP-P-02 Legal and Other Requirements MSP-P-03 Objectives and Targets Environmental Programs	All	Vision, Principles, General Management Direction, RMZ Objectives	Pilot project regulation Timber Supply Review, Public Advisory Group, First Nations Advisory Group Scientific/Technical Advisory Committee Muskwa-Kechika Management Area Act, Graham River Integrated Resource Management Plan, SFM Plan
	(d) conserving biological diversity, soil, water, fish, wildlife, scenic diversity and other forest resources, and	Policy MSP-P-01 Aspects MSP-P-02 Legal and Other Requirements MSP-P-03 Objectives and Targets Environmental Programs	4.4.1, 4.4.2, 4.4.3, 4.4.4	General Management Direction, RMZ Objectives	Pilot project regulation Timber Supply Review Public Advisory Group, First Nations Advisory Group Muskwa-Kechika Management Area Act, Graham River Integrated Resource Management Plan, SFM Plan
	(e) restoring damaged ecologies	SOP-G-01 Incident Reporting and Corrective Action	4.4.2	RMZ Objectives	
(3)(b)(iii)	Adequate management and conservation of forest resources	Policy MSPs (all) SOPs (all) Wis (all)	4.4.1, 4.4.3, 4.4.5 (a)	RMZ Objectives	Pilot project regulation Timber Supply Review Scientific/Technical Advisory Committee Muskwa-Kechika Management Area Act, Graham River Integrated Resource Management Plan, SFM Plan



Requirements		Environmental Management System (EMS)	CSA CCFM Criteria and Elements	Fort St. John LRMP	Other Elements
(3)(c)	Public review and comment on planned Forest Practices	MSP-I-03 Public Communication	4.4.6	Presentation of SFM Plan to LRMP Implementation Working Group	Pilot project regulation Public Advisory Group, First Nations Advisory Group, Public presentation of SFM Plan, Advertise SFM Plan & FDP
(3)(d)	Monitoring and evaluation criteria for Pilot Project	MSP-P-01 Aspects MSP-P-02 Legal and Other Requirements MSP-P-03 Objectives and Targets Environmental Programs MSP-C-01-02 Environmental Audit Program MSP-M-01 Management Review SOP-R-01 SOP-H-01 SOP-S-01 SOP-Z-01 SOP-G-01 Wis (all) Forms/Checklists	4.4.6	Annual report presented to LRMP Implementation Working Group	Pilot project regulation Proposed roles in monitoring, inspection and auditing by participants, agencies and public indicated in SFM Plan, Measurable objectives in SFM Plan, Adaptive management process in SFM Plan, Annual reports presented to Public Advisory Group and First Nations Advisory Group, Scientific/Technical Advisory Committee to provide input
(3)(e)	Role of the Board	MSP-M-01 Management Review			Pilot project regulation Audit reports presented to Public Advisory Group
(3)(f)(i)	Public access to planning documents and assessments used in the pilot project				Pilot project regulation Plans and other records will be kept at participant offices and will be available to the public
(3)(f)(ii)	Public access to records required for the pilot project	MSP-I-03 Public Communication MSP-C-01 Record Keeping			Pilot project regulation Plans and other records will be kept at participant offices and will be available to the public
(4)(a)	Pilot projects in a forest region not more than 10% of AAC for the forest region				Apportioned harvest volume in the pilot project is 9.77% of PG Region AAC
(4)(b)	Pilot projects in a forest region not more than 10% of all animal unit months in the forest region				N/A
(5)	Pilot project in an area subject to a higher level plan, or an area subject to a regulation made under subsection (7) (f) for balancing competing values and interests	MSP-P-01 Aspects, MSP-P-02 Legal and other requirements, MSP-P-03 Objectives and	All	Fort St John LRMP approved October, 1997 as a strategic land use plan,	Draft pilot project regulation (Section 4) specifies that requirement is addressed by RMZs and their stated objectives Key LRMP sector representatives will be



Requirements		Environmental Management System (EMS)	CSA CCFM Criteria and Elements	Fort St. John LRMP	Other Elements
		Targets and Environmental Programs		SFM Plan will be consistent with LRMP General Management Direction and RMZ Objectives,	invited to participate on the Public Advisory Group, Draft pilot project regulation specifies that SFM Plans must contain landscape level objectives and strategies, Public Advisory Group and First Nations Advisory Group will provide input on values, goals, indicators and objectives and monitor progress of SFM Plan
(6)(a)	Ministers local Public Advisory Committee to review public comments under sec (3)(a)(i)	MSP-I-03 Public Communication	4.4.6		The Public Advisory Group established by the project participants may assist in reporting to ministers
(6)(b)	Ministers local Public Advisory Committee to review summary of comments and actions under sec (3)(a)(ii)	MSP-I-03 Public Communication	4.4.6		The Public Advisory Group established by the project participants may assist in reporting to ministers
(6)(c)	Ministers local Public Advisory Committee to report as to public acceptability of the proposed pilot project		4.4.6		The Public Advisory Group established by the project participants may assist in reporting to ministers
(7)(a-j)	The LGinC for the purpose of pilot project may make regulations				N/A
(8)	LGinC may exercise all regulation powers for the purpose of a pilot project and may make regulations contrary to a provisions in existing Acts if that provision is inapplicable because of a regulation made under subsection (2)				Pilot project regulation to enable changes to provisions in existing Acts and regulations provided alternative process and criteria is proposed in SFM Plan to meet requirements of FPC Sec. 221.1
(9)	A regulation made under subsection (7) (f) may be made only with the consent of the ministers.				N/A
(10)	A regulation under this Part with respect to a pilot project does not apply to a holder of an agreement (tenure) until the holder has consented to take part in the pilot project	MSP-P-02 Legal and Other Requirements			Participants have jointly submitted a preliminary and detailed proposal for the pilot project and are committed to participate
(11)(a) (b)	If a regulation under subsection (2) provides for the purposes of a pilot project a provision of the Act does not apply to the District Manager or the holder of an agreement then the provision does not apply to their employees or agents or to their contractors as defined in section 152 of the Forest Act	MSP-P-02 Legal and Other Requirements MSP-I-01 Training MSP-I-02 Internal Communication MSP-I-04 Approve Contractor & Review Performance			
Sec 221.2(a)	In accordance with the regulations the holder of an agreement subject to a pilot project must report annually to the ministers on the pilot project	MSP-P-02 Legal and Other Requirements, MSP-P-03 Objectives and Targets and		Annual report will be presented to LRMP Implementation Working Group	The project participants will develop annual report content criteria Annual report will be presented to Public Advisory Group and First Nations



Requirements		Environmental Management System (EMS)	CSA CCFM Criteria and Critical Elements	Fort St. John LRMP	Other Elements
		Environmental Programs, MSP-M-01 Management Review			Advisory Group SFM Plan progress to be reported annually to the Public Advisory Group
(b)	The district manager must report annually to the ministers, other pilot projects in his district				N/A
(c)	The ministers must make the reports available to the public				N/A
221.3	All revenue payable from penalties imposed under this Part must be paid in accordance with section 117.2	Policy, MSP-P-02 Legal and Other Requirements			
2. Comments from provincial Joint Steering Committee (by way of letter to the participants dated October 21, 1999)	Forest Inventory				FRBC has been approached to fund vegetation resource inventory in the Fort St. John TSA. The Omineca-Peace FRBC Region has commissioned a report which provides rationale for inventory investment on the pilot project area
	First Nations participation and consultation	MSP-I-03 Public Communication	4.4.6 (b) (c)		Licencee participants will offer to sign join MoA with First Nations that will address issues related to the pilot project First Nations will be invited to participate on the Public Advisory Group and/or the First Nations Advisory Group Affected FNs, tenure holders and stakeholders will be notified prior to commencement of operations on the ground The pilot project will better address FN concerns about cumulative impacts of forestry activities because of consolidated and landscape level planning (SFM Plan) FDPs will be referred to government agencies as per current procedures
	Notification and Referral Procedures	MSP-I-03 Public Communication			
	CCFM Criteria and Critical Elements		All	SFM Plan will be consistent with LRMP General Management Direction and RMZ Objectives,	Public and First Nations representatives will be invited to participate in the development of values, goals, indicators and objectives to address CCFM criteria and critical elements, Scientific/Technical Sub-committee will



Requirements	Environmental Management System (EMS)	CSA CCFM Criteria and Critical Elements	Fort St. John LRMP	Other Elements	
				assist participants, Participants will establish liaison with research groups, academia and industry to develop, implement and monitor SFM Plan	
	Quality Assurance Framework	Entire system	Entire CSA SFM System standard	SFM Plan will be consistent with LRMP General Management Direction and RMZ Objectives,	Third party audits will be conducted by accredited auditors, Independent BC Registered Professional Foresters will oversee audits
	Role of Regional Agencies			Annual reports presented to Prince George Inter-Agency Management Committee	MoUs with MoF and MoELP Regions may be developed to clarify roles and responsibilities
3. Comments from provincial Joint Steering Committee (by way of letter to the participants dated May 2, 2000)	Involvement of the oil and gas industry and agencies	MSP-I-03 Public Communication		Participant representatives, oil and gas industry and Oil and Gas Commission representatives participate on LRMP Implementation Working Group	Oil and gas industry, MEM and OGC representatives will be invited to participate on Public Advisory Group, SFM Plan will consider and address impacts of oil and gas exploration and development on sustainable forestry Participants will promote co-ordination of access with oil and gas industry in SFM Plan and FDPs



11 Function of the Draft Pilot Project Regulation

Section 221.1(1) of the Code enables the Lieutenant Governor in Council to “... make regulations respecting pilot projects to experiment with ways to improve the regulatory framework for forest practices.” In support of the overall project proposal, the participants have prepared a draft Fort St. John Forest Practices Pilot Project Regulation for cabinet to consider and potentially to adopt and put into force. The draft pilot project regulation was available for public review along with the detailed proposal.



12 Conclusion

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

- Maintenance or improvement of the current level of environmental performance of the participants
- Increased level of public and First Nations involvement in the planning of forestry operations
- Preparation and implementation of strategic, landscape level plans, including the establishment of objectives and strategies, and credible evaluation and reporting mechanisms
- Implementation of continual improvement and adaptive management processes that will lead to improved forest management
- Improved efficiency of the participants' forestry operations through consolidation of forestry planning and the reduction of administrative processes related to site plans
- Reduction in overall costs for the participants and government related to forestry planning and operational activities
- Improved confidence of the public and forest products customers in sustainable forest management through certification of operations in the Fort St. John Pilot Area.

The participants are confident that government and industry objectives for the pilot project program can be met through the successful implementation of innovative strategies for forest management under the Fort St. John pilot project. Changes to current processes outlined in this proposal, and in the associated draft pilot project regulation will be staged over an extended period of time, and therefore, the pilot project must have a long planning horizon. As the participants implement changes successfully, it is hoped the public and government will develop a higher level of trust in the participants that will enable further change. The participants are committed to engineering this change and look forward to the challenge it presents.