



ALBERNI VALLEY COMMUNITY FOREST
Putting Control of Land and Resources in the Hands
of Local People



Community Forest Agreement Application and Forest Management Plan

Licencee

Alberni Valley Community Forest Corporation

South Island Forest District



Prepared by:

Cindy Hutchison, RPF and Ray Bartram, RFT, MBA
For DRH Forestry Consulting



City of Port Alberni
Alberni Valley Community Forest Corporation
4850 Argyle Street
Port Alberni, British Columbia
V9Y 1V8

April 16th, 2009

Jim Gowriluk, Regional Executive Director
Coast Forest Region
2100 Labieux Road, Nanaimo, BC
V9T-6E9

Dear Jim:

Re: Application for a Community Forest Licence

The City of Port Alberni is pleased to present this application for a Community Forest Agreement (CFA) in the Sproat Lake area. This application replaces the previous application submitted to your office September 2008.

This revised application reflects changes made in response to feedback from the Ministry of Forest and Range in a meeting on March 12th and changes made to the Forest Act in March 2009.

This application has been made in response to the invitation to apply for up to a 20,000 m³ Community Forest, presented to the City by then Forest Minister De Jong, on October 15th, 2004.

The areas within our application are lands that were within Tree Farm Licence 44, that are now available due to the Forestry Revitalization Act of 2003. We have worked with the Ministry of Forests and Range over the last few years to identify lands suitable for the Community Forest. We recognize that these lands under application will not provide the full 20,000 m³ as offered in 2004 but remain hopeful that the Minister will not only meet the earlier volume commitment objective but perhaps even provide incremental volume for the Community Forest. The City is also aware that the Ministry is continuing with their First Nation's consultation and tenure reallocation work.

This application includes the following:

- Documentation from Ministry of Forests and Range regarding the proposed CFA area.
- A statement of consistency with program objectives.
- Information about the CFA area.
- Guiding principles and goals of the Community Forest.
- A management plan.
- Information about community awareness, support and involvement.

- Information about CFA holder and business structure.
- A business plan.

This application has been prepared by forest consultants with direct experience working on these lands.

The application process has been undertaken with the support of the City of Port Alberni Community Forest Advisory Committee, which includes members with backgrounds in business, forest management, and public service. The advisory board includes representation from the Hupacasath and Tseshahat First Nations, and the Alberni-Clayoquot Regional District.

We have strong support from the community and First Nations to proceed with the CFA, and therefore request that the Ministry of Forests and Range approve the agreement this spring, in time for the BC Community Forest Association annual general meeting in Port Alberni, May 28th to 31st. We will then commence the Forest Stewardship Plan, and prepare for operations in late 2009.

If you require any additional information or clarification, please contact Ken Watson, City Manager at ken_watson@portalberni.ca or (250) 720-2824.

Sincerely,

Ken McRae

Mayor

City of Port Alberni

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1:20000 SCALE MAP ATTACHMENTS:

- 1) Alberni Valley Community Forest Forest Inventory and Operability East Unit Map
- 2) Alberni Valley Community Forest Forest Inventory and Operability West Unit Map
- 3) Alberni Valley Community Forest OGMA, MAMU, and UWR East Unit Map
- 4) Alberni Valley Community Forest OGMA, MAMU, and UWR West Unit Map
- 5) Alberni Valley Community Forest Terrain, Visuals, and Recreation East Unit Map
- 6) Alberni Valley Community Forest Terrain, Visuals, and Recreation West Unit Map
- 7) Alberni Valley Community Forest Terrestrial Ecosystems East Unit Map
- 8) Alberni Valley Community Forest Terrestrial Ecosystems West Unit Map
- 9) Alberni Valley Community Forest Sensitive Ecosystem Inventory East Unit Map
- 10) Alberni Valley Community Forest Sensitive Ecosystem Inventory West Unit Map
- 11) Alberni Valley Community Forest First Nations' Traditional Territories Map

This document may be disclosed publicly in its entirety.

The vision of the Alberni Valley Community Forest is to put control of lands and resources into the hands of local people by building a financially viable timber and non-timber forest resource business which provides benefits to the community and manages the forest in a sustainable manner that achieves a balance between community values and practicable management.

This application follows the required format of the government document entitled “Probationary Community Forest Agreement Application Requirements (Direct Invitation to Apply).” A summary of the contents of the application follows.

The application begins at Section 3, *Consistency with Provincial Community Forest Program Objectives*, where the Alberni Valley Community Forest (AVCF) demonstrates that the vision, philosophy, and management planning is consistent with Provincial Community Forest Agreement program objectives. Community Forest tenure is intended to provide opportunities for community management of Crown forest land. By providing communities with the flexibility to manage local forests, government seeks to achieve eight objectives. These objectives are described in the context of the AVCF.

The Community Forest will be held and operated by the “Alberni Valley Community Forest Corporation” which is 100% owned by the City of Port Alberni as described in Section 4, *Legal Entity*

The Ministry of Forests and Range has proposed two distinct operating areas for the AVCF. These areas total 6378 hectares north and west of Sproat Lake in the Sproat Lake Community Watershed. A description of the areas can be found in Section 5, *Community Forest Agreement Area Overview*. The areas are illustrated on the 1:20,000 scale maps attached to this application.

The AVCF is located in the Alberni-Clayoquot Regional District (ACRD) in close proximity to the City of Port Alberni. Both the Sproat Lake and the City of Port Alberni communities are interested stakeholders and have extensively commented on management of the lands. The AVCF lands have been used by the First Nations for generations. The Sproat and Taylor Operating Areas more recently been extensively harvested under an industrial forest model from the 1940s to the present. Section 6, *Historical Use*, describes how the AVCF land base has been used in the past and the subsequent connections the community has to the land base.

Section 7, *Community Awareness, Support, and Involvement*, discusses the public consultation process which was initiated by the AVCF Advisory Committee. The Advisory Committee managing the AVCF initiative consists of 11 community members with backgrounds in business, forest management, and service to First Nations and the public. The current Advisory Committee has been tasked with completing all activities until the licence agreement is issued. Once the licence is issued, the Advisory Committee will be expanded to include a more diverse cross section of stakeholders in the community forest.

Public consultation was required to determine the forest management goals and objectives for the AVCF guiding the preparation of the Management and Business Plans in this licence

application. Consultation was started by launching a web site: www.communityforest.ca. This site has proved to be a invaluable communication tool.

The community was asked to participate in the development of the community forest by attending open houses, completing an online or printed survey, by providing feedback by phone or email, or volunteering their time and skills.

The objective of the meetings, web site, and survey, was to share information with the community, and consult regarding management visions, values, and objectives that could apply to the community forest lands.

The level of support and awareness of the community forest is high. Logging has been a mainstay of the Alberni Valley since it was first settled. Therefore, the residents are knowledgeable about forest management issues, are cognizant of how they affect their community, and have shown interest in management of the community forest.

Results from the “Community Support, Awareness, and Management Survey” demonstrated that 94% of responding residents of Port Alberni and the Community of Sproat Lake voted “yes” to the question “Do you support the concept of a community forest, managed and operated for the benefit of the community?” Letters of support have been provided by neighboring licence holders, community members, and First Nations. Documentation of community support, awareness and involvement is found in Appendices F, G, H, and I.

Ongoing stakeholder involvement will occur through the continuation of the web site, and development of the Advisory Committee to include a more diverse cross section of community groups.

Section 8, *Land Use Vision for the Future*, describes the AVCF management philosophy, and identifies problem solving steps where differences in values and objectives occur. Communication based on transparency and earnest efforts to involve stakeholders in the community forest process is expected to minimize disagreements.

The *AVCF Goals and Guiding Principles*, Section 9, are based on the goal of finding a “*balance between community values and practicable management*”.

Section 10, *Management Plan: Ownership, Existing Tenures, and Rights Granted to Others*, is the first section of the Management Plan..First Nations have asserted traditional rights to the land base, and guide outfitters and trappers have legal agreements with the crown. The relationship of these other users with the AVCF is described in Section 10.

Past and current resource management, tree species, age class distribution, growth rates, the ecological characteristics of the land base, access, safety, and cultural and environmental considerations are some of the major issues for management. They impact business opportunities, as well as the volume of wood that can be harvested. These considerations are described in Section 11, *Management Plan: State of Land and Forest Resources*.

The Allowable Annual Cut, or AAC, that can be harvested from the AVCF is outlined in Section 12, *Management Plan: Proposed Allowable Annual Cut*. The land base currently offered for the licence is anticipated to provide an annual sustainable harvest of about 18,156 m³. The Community Forest will continue to work with the Ministry of Forests and Range to locate and include additional operating areas so that the original British Columbia

Government offer of 20,000 m³ may be achieved. The Timber Supply Analysis that derives the AAC is available for review in Appendix D, *Timber Supply Analysis*.

The detailed description of how timber and non-timber forest values, along with cultural and environments considerations, will be managed, are found in the *Management Plan* in Section 13. Measures will be taken to ensure that the Licencee is adhering to the plan. How the results will be measured is outlined in the *Performance Measures Tables* in Section 13.4.

The Community Forest will be managed and operated by the AVCF Corporation (AVCF) which is fully owned by the City of Port Alberni. The City of Port Alberni is presently undergoing revitalization, and the opportunity to manage a Community Forest Licence, will form an integral part of that process. The City has provided the funding to develop this Community Forest Licence application as a shareholder loan. A “community trust” will be established to hold the profits from the Corporation in trust for use on a project benefiting the whole Alberni Valley. This project is tentatively identified as a new Aquatic Centre. This trust will be established to allow Council to modify its use to alternate community projects deemed to be of value to the Alberni Valley at Council’s discretion. The trust will be established to allow maximum access by the City without impacting the “arms length” status of the Corporation

The board of directors for the AVCF will comprise of seven voting members and one non-voting liaison member. Four directors will be appointed by the City, one each by Tseshaht and Hupacasath First nation and one from the Regional District. A non-voting liaison will be appointed by the mayor.

Providing advice and operations skills to the board, the Community Forest has a Community Forest Advisory Committee which, consists of 11 community members appointed by the City of Port Alberni. The members have backgrounds in business, forest management, and public service. The advisory board includes representation from the Hupacasath and Tseshaht First Nations and the ACRD.

Once the licence is issued, the day to day operations of the community forest business are anticipated to be managed under forestry and business management contracts. The operational work on the community forest will be tendered through local advertising or invited tenders. There is an active contractor and consultant community in Port Alberni interested in working in the AVCF.

The proposed licence area contains a variety of timber species and age classes, which leads to significant opportunities to match the business to the requirements of the marketplace. The primary product of the AVCF will be old growth and second growth logs to sell into the local domestic log market. The licence area is close to the highway network, providing the AVCF with a better opportunity than some other licencees to move timber to markets, throughout the year.

This application is being prepared as the coastal forest industry faces a crisis on many fronts. The high value of the Canadian dollar, and a slump in the US housing market has led to lower prices for many species and grades of timber, particularly second growth Douglas Fir. Prices and demand for many other log types, have held, or decreased only slightly in early 2008, as a lack of logs due to the 2007 Steelworkers strike followed by the onset of winter conditions has led to tight log inventories going into the winter months.

The AVCF may be commencing just as other independent log producers such as First Nations with new tenures begin their harvest operations in the Port Alberni area. These other new licencees, as well as the established licencees, will be producing logs that will compete in the market with those produced by the AVCF.

The AVCF has a few operational and marketing advantages over some licencees. These include having a variety of timber species and age classes on the land base in the short term; good logging opportunities due to the terrain and existing road networks; reasonable market access to a variety of customers; and skilled local contractors able to undertake the work. Since the land base was previously in Tree Farm Licence (TFL) 44, there is also good forest management data available for the licence area.

The size of the AVCF will not support continuous operations on the land base throughout the year. A short annual harvest is anticipated, with pre-harvest, post harvest, and road maintenance work scheduled seasonally. If market conditions are such that profitable operations are unlikely, the AVCF will defer operations until conditions improve. The variety of timber types available within the licence area may still allow for profitable harvest opportunities when one or more timber species is doing poorly in the marketplace. This opportunity will decrease as the old growth areas are harvested and the AVCF becomes more reliant on second growth.

The main risks associated with the community forest licence are access to the timber resources, general liability issues, and financial risks. A proactive approach to resource use and relationship building will help to ensure that issues relating to timber harvest do not arise to impact the AVCF business. Liability issues will be managed with insurance, management systems, and due diligence. Financial risk will be minimized by establishing financial controls, strong operational and harvest planning, and well developed contractual relationships.

It is anticipated that the first cutblock harvested in the community forest will be a second growth cutblock with previously established roads, so that the initial costs are lessened.

The goal for the first five years of the licence is to demonstrate that the AVCF Corporation is a suitable steward to take on the licence for the long term. This will be done by maintaining and developing community support, being financially viable, and practicing good forestry.

The Business Plan, and details about of the business of running the AVCF are found in Section 14 as well as Appendices A and I, and Section 13.4.

2 District Documentation

A written confirmation from the district manager that the proposed CFA area is suitable for a CFA and is consistent with the AAC allocated for the agreement was requested from the Ministry of Forests and Range. South Island Forest District staff were unable to provide a letter in the timeframe requested to state the area was appropriate for a community forest, given the Minister of Forest and Range decision to delete the area from TFL 44 was pending and the outcome of First Nations consultation was unknown. Letters demonstrating support of the AVCF have been received from the Tseshaht and the Hupacasath First Nations.

Consistency with Provincial Community Forest Program Objectives

Community Forest tenure is intended to provide opportunities for community management of Crown forest land. By providing communities with the flexibility to manage local forests, government seeks to achieve eight objectives. The AVCF management objectives are consistent with Provincial Community Forest Agreement program objectives as follows:

1. Provide long-term opportunities for achieving a range of community objectives, values, and priorities.

The community forest will be a well-managed forest area, with management based on values, priorities, and objectives from stakeholders rather than a focus on management for profit to shareholders. The entire Alberni Valley will benefit from the community forest as values outlined in a public survey and during community consultation have been employed to produce a holistic management plan.

2. Diversify the use of, and benefits derived from, the community forest agreement area.

A diversity of users have historically benefited from access to the resources on the AVCF land base. The AVCF will continue to provide diverse opportunities to locals and non-locals to enjoy the forest as a model of mixed-use forest management. In addition to harvesting opportunities, the Sproat and Taylor Operating Areas have been, and will continue to be, used for recreation, wildlife, and for conservation of biodiversity. The areas will also continue to be the background landscape as part of the Highway 4 visual corridor.

The AVCF will encourage and facilitate economic diversification of the Alberni Valley through non-timber forest products businesses, First Nations ventures, ecotourism, and guide-outfitting.

The community forest will support local small timber and non-timber forest products businesses by providing access to the land base and/or facilitate access to small quantities of logs or single trees. This access to fibre will multiply into downstream benefits in the form of small scale job creation and increased tourism potential.

3. Promote community involvement and participation.

Extensive community involvement was sought during the AVCF public awareness campaign. The AVCF will incorporate community values and objectives where compatible with the vision of creating a financially viable timber and non-timber forest resource business which provides benefits to the community and manages the forest in a sustainable manner balancing community values and practicable management. As the project moves forward, the AVCF activities will remain transparent by communicating plans online, through the media, and via annual reports.

The Community Forest Advisory Committee managing the AVCF initiative currently consists of 11 community members with backgrounds in business, forest management, and service to First Nations and the public. The role of the public advisory group will expand once the Community Forest Licence Agreement is in place to include a more

diverse cross-section of stakeholders such as representatives from recreational groups, and small timber and non-timber businesses.

4. *Provide social and economic benefits to British Columbia.*

The AVCF will provide stumpage revenue to the people of British Columbia from an average of 18,156 m³/year, in addition to the social and economic benefits of timber and non-timber forest product harvesting to the local community. It is also anticipated that some products will be transported to other areas of Vancouver Island.

Profits from the community forest will be returned to the community for community projects and for improvements to the community forest.

Informal agreements with the First Nations will allow the aboriginal community some economic benefit; as well as social benefits in the form of reserving from harvest forest areas important to the First Nations communities.

Public benefits will also be available in the form of land set-asides for non-timber values important for stream protection, old growth, wildlife, visuals, and biodiversity. These areas often coincide with recreational areas that also provide social benefit to stakeholders.

5. *Undertake community forestry consistent with sound principles of environmental stewardship that reflect a broad spectrum of values.*

A broad spectrum of values were used in preparation of the management plan. Values that input into Management Plan objectives were derived from community discussions and surveys, the Hupacasath First Nation's Land Use Plan, and legislated requirements that reflect objectives of the people and government of British Columbia. Each of these groups has its unique vision of environmental care and stewardship. The Management Plan ties together the diverse ideals and optimizes values consistent with a community forest vision.

6. *Foster innovation.*

The AVCF will encourage and be available as a showcase for innovative forest practices which combine activities of multiple land-users on a small land base. The land base will also be accessible to the community for non-timber forest products management, as a source of logs for minor wood users creating value added products in the community, for carbon sequestration and possibly for the sales of carbon credits if the opportunity arises in the future.

7. *Advocate forest worker safety.*

All contracted workers will have WorkSafeBC coverage and be "Safe Certified" or registered to be so, by the BC Forest Safety Council.

8. *Promote communication and strengthen relationships between Aboriginal and non-Aboriginal communities and persons.*

First Nations representatives are on the AVCF Advisory Committee, and have provided valuable input to the Management Plan. Agreements with the Hupacasath and Tseshaht First Nations will guide communications and the on-going relationship between the aboriginal and non-aboriginal community.

4 Legal Entity

The Community Forest will be held and operated by the “Alberni Valley Community Forest Corporation” which is 100% owned by the City of Port Alberni.

This company is a renaming of the “Alberni Strategic Forest Alliance Corporation” which was incorporated as a limited company in 1995 to pursue forest based business opportunities. It was acquired by the City to be the investment vehicle for forestry opportunities.

Documentation for the legal entity is in Appendix A, *Agreement Holder Legal Entity Information*.

5 Community Forest Agreement Area Overview

5.1 Alberni Valley Community Forest Description

Area of Crown Land: 6378 hectares.

Map References: Sproat Operating Area: 092F(.025, .026 .035).

Taylor Operating Area: 092F.024.

The Ministry of Forests and Range has proposed two distinct areas for the AVCF. These areas total 6378 hectares north and west of Sproat Lake in the Sproat Lake Community Watershed within TFL 44. The area is shown outlined by a pink boundary in Figure 1.

Attached to this plan are 1:20,000 scale maps of the proposed AVCF operating area inventories, including forest cover.

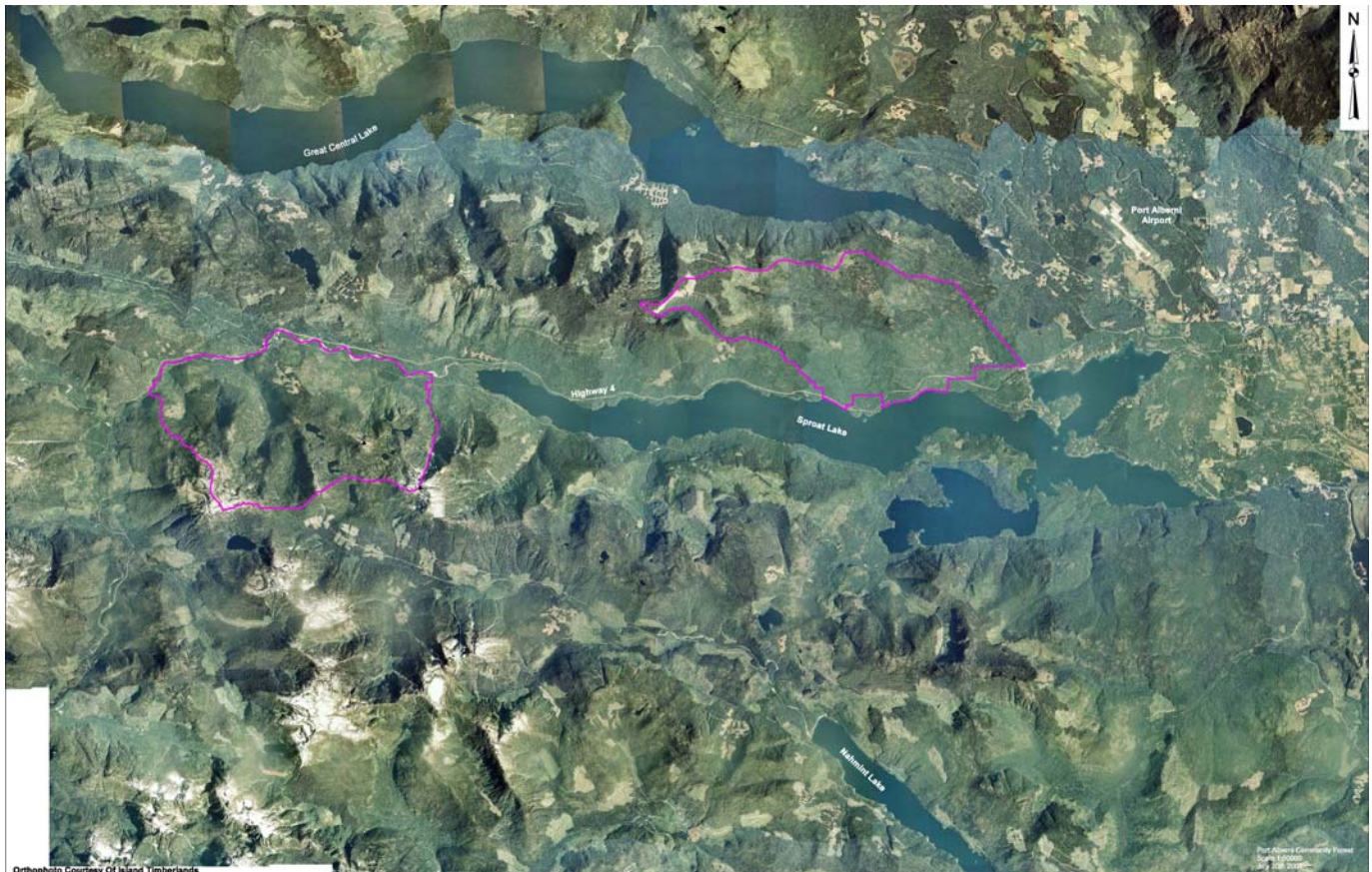


Figure 1: Map of the AVCF boundaries outlined in pink (western polygon = Taylor Operating Area; eastern polygon = Sproat Operating Area).

5.1.1 The Sproat Operating Area

The eastern boundary of the Sproat Operating Area is located approximately 11 km northwest of the City of Port Alberni, north of Highway 4, opposite the West Bay Hotel and Resort. At this point the AVCF abuts Island Timberlands' private lands at the historic E&N Railway land grant boundary. It slopes southward from the height of land between the Great Central Lake watershed, and Highway 4 and is bounded to the east by private land owned by Island Timberlands, and to the west by Friesen Creek. The area is 3000 hectares.

The elevation of the Sproat Operating Area ranges from just under 50 m along the shore of Sproat Lake to 1000 m at the headwaters of Clutesi Creek.

Forest cover is predominantly second growth Douglas Fir with scattered areas of old growth which are largely reserved in Old Growth Management Areas (OGMAs). Upper elevations are dominated by Western Hemlock, Amabilis Fir (Balsam), with a minor component of Western Red Cedar and Yellow Cedar.

5.1.2 The Taylor Operating Area

The Taylor Operating Area slopes northward from the height of land between Mount Klitsa and Adder Mountain to Highway 4 at Sutton Creek and the Taylor River. It is bounded to the east by Klitsa Creek, and to the west by a southeast to northwest line running along the height of land

from Adder Mountain to Sutton Pass east of the boundary of Clayoquot Sound. The area is 3378 hectares.

The elevation of the Taylor Operating Area ranges from less than 50 m at the Taylor River to 1642 m at the top of Mount Klitsa. Approximately 15% of the area is alpine and either not merchantable or not suited for harvesting operations. Because of the steep terrain, many areas are not accessible by road. Forest cover is predominantly Western Hemlock and Amabilis Fir with Western Red Cedar or Yellow Cedar. Red Alder dominates the Taylor River floodplain, and Mountain Hemlock is found at elevations over 1000 m (for details see the Forest Cover map attached to the plan).

6 Historical Use

6.1 First Nations

The AVCF lands have been used by the Hupacasath and Tseshahat First Nations since time immemorial. The Hupacasath and Tseshahat are members of the Nuuchaltnulth whose traditional home is the Pacific Northwest and the west coast of Vancouver Island.

The general area of the AVCF is considered to have a high cultural value to the First Nations because of historical use which includes gathering sites, hunting and fishing areas, camps, meeting sites, and archaeological and sacred sites. Traditional aboriginal forest use in the area often occurs in close proximity to the major rivers and streams. For example, petroglyphs are found in Sproat Lake Provincial park adjacent to Sproat Lake and in close vicinity to the AVCF.

6.2 Industrial Development

The first harvesting in the Sproat Operating Area occurred in the 1940s, and the area has provided a steady flow of wood since that time.

This area is now characterized by second growth Douglas Fir forests with a few areas of old growth. The oldest second growth, is close to the lake, and was established in the 1940s. A second large area close to Sproat Lake was originally harvested in the 1950s. Some of the older logged areas were logged directly into Sproat Lake with an A-frame, while other areas were logged with wooden spars and railways. Scattered areas of more recent logging are comprised of very young forests which are not yet available for harvesting.

The area has an extensive road network originally built for wide off-highway logging trucks. These roads will require some upgrading and bridge replacements will be needed to make them usable for hauling logs again. The Sproat Operating Area is accessible from roads that connect with Highway 4, as well as from the High Level Road connecting to the Ash Mainline.

The first harvesting just south of the Taylor River occurred in the late 1960s and early to mid 1970s as salvage operations after the 1967 Taylor River "Tay" Fire which started while blasting rock to improve Highway 4. The second growth dating from the 1970s occurs on the valley floor while old growth Western Hemlock/Balsam forests occur on the rocky

sidehills There are still some remnant areas of dead trees from the Taylor Fire of 1967 in inoperable areas.

The Taylor area was developed from the Taylor Arm road with access from the then new highway built in the late 1960s. Current access to the area is via the Taylor Mainline joining Highway 4 at the Taylor rest stop, or from Taylor Mainline's western entrance at Sutton Pass. A large portion of the Taylor Operating area cannot be developed with roads because of large amounts of rock and steep terrain which make road building difficult or impossible.

6.3 The Urban Interface

6.3.1 The City of Port Alberni

The AVCF is located in the Alberni-Clayoquot Regional District (ACRD) in close proximity (as little as 11 km) to the City of Port Alberni.

In 1860, Captain Edward Stamp of London England set up the first sawmill operation in the Alberni Valley thus beginning the Alberni Valley's long-time relationship with the forest industry. Gilbert Sproat and Edward Stamp transported men and machinery to Alberni. They received land grants and started running the Anderson Company sawmill at the mouth of the Somass River in August of 1861. The first mill, built to export lumber, failed, but several others were established in the 1880s. Sproat Lake was named after Gilbert Sproat and Stamp Falls and Stamp River were named after Edward Stamp.

In the early 20th century when the E&N Railway reached Port Alberni. The forest industry became the dominant economic force. Large logging operators moved in including Bloedel, Stewart and Welch. Sawmills were built at Alberni, Great Central Lake, and the McLean Mill site. By the second world war plywood mills and a promising pulp industry started. For the next 40 years, the forest industry reigned supreme with MacMillan Bloedel Limited becoming the largest lumber player in the valley. The end of the 20th century came with industry modernization, business mergers and takeovers, logging protests, new legislation to limit harvesting and promote best management practices, and business and government restructuring the industry.

Although the Alberni Valley is no longer entirely a resource dependent town, it is still highly dependent on, and supportive of, resource-based industries. With the restructuring of the forest industry, the forest economy of the Alberni Valley suffered the loss of forestry jobs in the Cameron and Franklin Divisions of TFL 44 and in the Sproat Lake Division (including the AVCF land base) when BC Timber Sales became the licensee. Severe cutbacks at Catalyst Paper and significant reductions at Alberni Pacific Division and Somass sawmills have also had an impact on the social and economic structure of the community. Smaller mill operators struggle to obtain sufficient fibre at an affordable cost and a number of local logging contractors have sold their operations or gone out of business.

The City of Port Alberni is presently undergoing revitalization and although the outlook is favourable it will be a long difficult struggle. Among the many initiatives, Port Alberni is in the process of "re-developing" itself as a tourism destination. The area's many amenities, such as its natural beauty, the opportunities for fishing (both marine and freshwater), its convenience as a jumping-off point for outdoor recreation and ecotourism activities (such as hiking, kayaking, and mountain-biking), make the Alberni Valley the ideal outdoor destination. The Community

Forest, especially as it pertains to tourism, recreation, and non-timber forest products businesses, will form an integral part of the revitalization.

The city council and the general community are supportive of the AVCF and the community is eager to co-operate to enable a successful operation. The community recognizes that local community control of the forest land base will benefit the Alberni Valley both financially and socially. The profits from the AVCF will be used to enhance the lives of citizens of the entire valley. As a model of mixed-use and good forest stewardship the government will see the value of community management and community control of forest resources can only grow stronger and larger in the future.

6.3.2 The Community of Sproat Lake

The Community of Sproat Lake is located approximately 10 km northwest of Port Alberni. It consists of a ribbon of permanent and recreational residences around the Sproat Lake. Property on Sproat Lake waterfront is considered extremely desirable. Property prices are continually rising, and recent home buyers have paid a premium to live in the area. Smaller recreational homes are being replaced by luxury homes resulting in ever increasing real estate prices.

The AVCF area is closely situated to residences along the Taylor Arm of Sproat Lake, and is visible from viewpoints around the lake and from the Highway 4 corridor.

Originally the highway to the west coast was a gravel mid-elevation logging road following the north side of Sproat Lake. In the early 1970s Highway 4 was straightened and paved. This highway is now used to access the Pacific Rim National Park at Long Beach and the UNESCO Biosphere Reserve at Clayoquot Sound. Sproat Lake residents are very concerned about any impact to the visual experience for tourists using this route through their community.

Sproat Lake is famous for being the home of two massive Mars water bombers now operated as the Coulson Flying Tankers owned by Coulson Airplane Ltd. These iconic 60 year old planes are a popular tourist draw, as well as a source of significant community pride.

Although managed by the City of Port Alberni, the AVCF is within the boundaries of the ACRD. In February 2005 the ACRD adopted an Official Community Plan (OCP) for Sproat Lake. The OCP outlines the vision the community has for its future. This vision is well reinforced by the surveys and open house comments given to the AVCF Advisory Committee during public consultation.

A community survey confirmed that nothing is more important to the community of Sproat Lake than their water quantity and quality. Sproat Lake is used as a community watershed, as well as an industrial water supply for Catalyst Paper. The lake is valuable for spawning salmon, and is well used for sport fishing, tourism, and recreation. The lake also serves as the runway for the Mars water bombers. Water quality has been affected by residential sewage disposal and discharge from pleasure boats and house boats into the lake. Many problems have been caused by inadequate sewage disposal fields; and are exacerbated when ground and surface water flows increase during severe storm runoff. An objective of the OCP is to “minimize run-off into the lake from land clearing”. The community forest has a responsibility to the Community of Sproat Lake to minimize water flow increases caused by harvesting and other forest practices in their area.

6.3.3 Taylor Arm Provincial Park

The 71 hectare, wooded, Taylor Arm Provincial Park shares its northern border with the proposed AVCF Sproat Operating Area. Brookhout, Clutesi, and Friesen Creeks all flow from the AVCF through the park to Sproat Lake.

Taylor Arm Provincial Park is zoned for intensive recreation and is extensively used by locals and tourists. The park provides group camping facilities from April 1st to October 15th close to the shores of Sproat Lake. The six group campsites at this park are located across the highway from the lake, connected via a trail that leads through a highway underpass.

This park has undeveloped beaches and two day-use areas – one on the shores of Sproat Lake at the end of the trail from the campground and the other at Camp 10, located ½ km west of the group campground parking lot down Highway 4. A short trail from the Camp 10 parking lot also leads to the lake. The day use areas provide opportunities for picnicking, boating, and swimming.

The enjoyment of the park solitude and visual landscape are paramount to the recreation experience. Careful planning of industrial activities in the AVCF will be required so that the recreation experience of the park is not diminished.

7 Community Awareness, Support, and Involvement

7.1 Documentation of Community Support and Awareness

7.1.1 Introduction

The AVCF Advisory Committee has been tasked with completing all activities until the licence agreement is issued. At that time, the Advisory Committee will be expanded to include a more diverse cross section of stakeholders in the community forest.

Public consultation was required to determine the forest management goals and objectives for the AVCF which in turn guided the preparation of the Management and Business Plans in this licence application.

The community was asked to participate in the development of the community forest by attending open houses, completing an online or printed survey, by providing feedback by phone or email, or volunteering their time and skills.

The objective of the meetings, web site, and survey, was to share information with the community, and consult regarding management visions, values, and objectives that could guide the management of the community forest.

The level of support and awareness of the community forest is high. Logging has been a mainstay of the Alberni Valley since it was first settled. Therefore, the locals are knowledgeable about forest management issues, are cognizant of how they affect their community, and have shown interest in management of the community forest.

7.1.2 Web Site

The AVCF Advisory Committee officially began public consultation with the launch of a web site August 9, 2007 at www.communityforest.ca. The web site can also be accessed by

clicking on the community forest button on the main page of the City of Port Alberni's web site at www.city.port-alberni.bc.ca.

The web site contains general information about community forests, and specific information about the AVCF that can be located through the main menu as follows:

Welcome	General information about community forestry and the AVCF. This page originally had a link so that the community survey could be completed online.
Maps	Downloadable orthophoto and Forest Management Values maps.
History	A history of the community forest application process from October 2003 to the present.
Forest Management	A description of how the public can have input into determining AVCF forest management priorities and documents providing terms of reference.
Vision & Values	The vision statement is outlined and this page contains photos of activities, cherished places, and significant features of the community forest.
Advisory Committee	Photos and biographies of community forest Advisory Committee members.
DRH Forestry Consulting	Photos and biographies of the consultants hired to begin the public communication and consultation process and prepare the licence application.
Community Forest News	News releases, articles, and bulletins.
Open Houses	Information about participation in open houses (prior to event) and post-event photos.
Survey Results	Results of a community survey available to the public from August 19 th to October 31 st 2007.
Q & A	Questions and answers about the community forest.
Contact Us	Information on how to reach the City of Port Alberni or DRH Forestry Consulting either by phone or email.

The launch of the web site was followed by a City of Port Alberni Press Release August 16th 2007 that described the Advisory Committee, the web site, and means of participating in the development of the community forest. The press release and subsequent news articles can be found in Appendix E, Press Releases and News Articles. In addition to attention from the printed media, the local radio stations ran news clips on the community forest.

Questions received either via email to the community forest email address were promptly answered and those with wider public interest were posted to the Q & A web page. Answers to questions from the public can be found in Appendix G, Summary of the Community Awareness, Support, and Involvement Survey and Answers to Questions Asked.

7.1.3 Open Houses

7.1.3.1 Alberni District Fall Fair September 7th, 8th, and 9th, 2007



Figure 2: Pin and contact information given out during public consultation.

The first opportunity for residents of the Alberni Valley to speak face to face with members of the Advisory Committee about the community forest occurred at the Community Forest booth during the Alberni District Fall Fair September 6th to September 9th 2007.

At the Fall Fair visitor's booth members of the public had an opportunity to look at maps, comment and ask questions on forest management issues, complete a survey, and sign a guest book. A tree leaf identification quiz was available, and those able to identify their trees leaves won a City of Port Alberni Pin with AVCF contact information (Figure 2).

Two take away handouts were available, one from the BC Community Forest Association, and one from the AVCF (14.9Appendix F, Fall Fair Community Forest Handout).

The booth attracted a diverse cross-section of the population, and facilitated contact with people who normally would not be interested in forestry discussions or participate in forestry initiatives.



Figure 3: The AVCF Fall Fair visitor's booth. Mayor Ken McRae and Ray Bartram answer questions from the public.

Over five thousand people visited the Fall Fair in 2007, and a large number of them visited the exhibitor's booth shown in Figure 3.

A guest book allowed visitors to make comments or write down questions and asked for signers to comment "yes" or "no" to the following: "I support the concept of a Port Alberni Community Forest." Among the visitors, 138 people signed the guest book. Eighty-seven percent indicated that they supported the community forest, 12% were unsure, and 1% did not support the community forest. Where guests indicated that they would like to be contacted via email their names were added to a community forest distribution list.

7.1.3.2 City Hall September 17th 2007 and Sproat Lake Community Hall September 18th 2007

Open Houses were conducted at Port Alberni City Hall on September 17th, 2007 and at Sproat Lake Community Hall on September 18th 2007 to make it convenient for visitors from both communities to provide input regarding their objectives for the community forest.

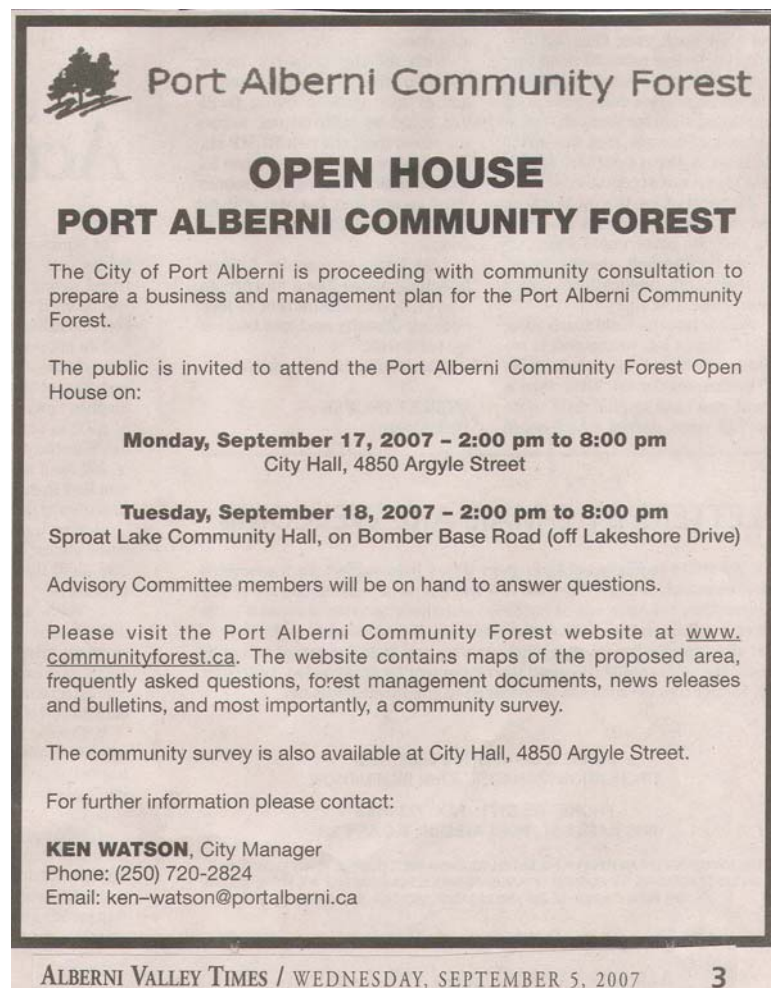
The City of Port Alberni ran three notices in the Alberni Valley Times local paper to announce the dates and times of the community forest open houses. Notices were printed August 29th, September 5th, and September 14th. A sample notice is shown in Figure 4.

Unlike the Fall Fair, the open houses attracted community members specifically interested in forest management in the Alberni Valley.

Once again community members had an opportunity to speak with the Advisory committee, look at maps, answer the survey, and sign a guest book.

A large amount of information was given by the public on both occasions regarding their visions for recreation and trails, old growth, visuals, wildlife, fish, and most importantly water.

Eighteen people attended the open house at City Hall, and 19 people at Sproat Lake Community Hall (Figure 5). The majority, 78% were supportive of the community forest, while 22% did not know or did not answer the question. No one indicated that they were not in support of the community forest.



Port Alberni Community Forest

OPEN HOUSE

PORT ALBERNI COMMUNITY FOREST

The City of Port Alberni is proceeding with community consultation to prepare a business and management plan for the Port Alberni Community Forest.

The public is invited to attend the Port Alberni Community Forest Open House on:

Monday, September 17, 2007 – 2:00 pm to 8:00 pm
City Hall, 4850 Argyle Street

Tuesday, September 18, 2007 – 2:00 pm to 8:00 pm
Sproat Lake Community Hall, on Bomber Base Road (off Lakeshore Drive)

Advisory Committee members will be on hand to answer questions.

Please visit the Port Alberni Community Forest website at www.communityforest.ca. The website contains maps of the proposed area, frequently asked questions, forest management documents, news releases and bulletins, and most importantly, a community survey.

The community survey is also available at City Hall, 4850 Argyle Street.

For further information please contact:

KEN WATSON, City Manager
Phone: (250) 720-2824
Email: ken-watson@portalberni.ca

ALBERNI VALLEY TIMES / WEDNESDAY, SEPTEMBER 5, 2007 **3**

Figure 4: Newspaper notice.



Figure 5: Cindy Hutchison of DRH Forestry Consulting shows maps and photos of the community forest to Tracy Andrews of the Ministry of Forests and Range at the Sproat Lake open house.

7.1.3.3 National Forest Week Booth

A booth was assembled for the National Forest Week Celebrations September 29th 2007 at the Glenwood Centre in Port Alberni. This was an opportunity for Advisory Committee members to connect with locals working in the forest industry or with a special interest in forestry. Although only 11 people signed the guest book, it was a valuable opportunity to share information with others working in small tenures, as the venue was also hosting the Federation of BC Woodlot Associations Annual General Meeting.

7.1.4 Survey

Results from the “Community Support, Awareness, and Management Survey” demonstrated that 94% of responding residents of Port Alberni and the Community of Sproat Lake voted “yes” to the question “Do you support the concept of a community forest, managed and operated for the benefit of the community?”

Seventy-two surveys were completed during the period from August 19th to October 31st 2007. Of those responding, 63.4% think the land base for the community forest located north and west of Sproat Lake is appropriate. Seventeen percent of responders think it is too small; while 20% indicated that it is not appropriate for other reasons.

When asked to rank the importance of nine potential uses for the land base for forest management responders indicated that water quality and fish habitat protection, protection and/or creation of wildlife habitat, and maintenance of old-growth forests are their top three forest values for the community forest land base. Creation of economic benefit for the community was ranked fourth. Although all forest values are important, the ranking shows that community members are willing to find a balance between non-timber benefits of the

forest and receiving revenue from the forest by harvesting wood and non-timber forest products. Water, however, is of the highest priority for protection, and residents will not tolerate any degradation in quality or alteration of quantity of flow due to industrial operations.

Responders indicated that they are largely in favour of the profits generated from harvesting in the community forest being reinvested in the community forest (46%); though directing the revenue to community projects is also a popular choice (28%).

Detailed survey answers have been made available to the public on the AVCF web site. The detailed summary of the Community Support, Awareness, and Management Survey can be found in, Appendix G, *Summary of the Community Awareness, Support, and Involvement Survey and Answer to Questions Asked*. This information was relayed to the public through a City of Port Alberni Press Release November 8th 2007, and via mass emailing to stakeholders who expressed interest during the public consultation period. Resulting news items are found in Appendix E, *Press Releases and News Articles*. Survey answers have been used in the development of forest management goals and objectives outlined in the Management and Business Plans.

7.1.5 Letters of Support

Formal letters of support, fully available in Appendix H, *Letters of Support*, have been received from the following stakeholders:

Type of Group or Individual	Name of Group or Individual
Interest Groups:	 The Alberni Valley Outdoors Club
Other Tenure Holders:	 Vancouver Island Guide Outfitters
Adjacent Tenure Holders:	 Western Forest Products Limited.
	 BC Timber Sales.
	 Island Timberlands
First Nations:	 The Tseshahat First Nation
	 The Hupacasath First Nation
Government Agencies:	 The Alberni-Clayoquot Regional District

7.2 Stakeholder Consultation

7.2.1 First Nations

The City of Port Alberni and the First Nations have agreed that the best model with respect to the community forest is not of “consultation” or “information sharing”, but “working together” to achieve benefit for the community and the First Nations.

Several formal and informal discussions have occurred with Les Sam, Chief of the Tseshahat First Nation; and Trevor Jones, Chief Executive Officer, and Warren Lauder and Brandy Lauder representing the Resource Management Office of the Hupacasath First Nation. During these meetings the Hupacasath presented and explained their Land Use Plan to the Advisory Committee.

The City of Port Alberni has committed to manage the AVCF as outlined in the Cultural Heritage Objectives section of the Management Plan. The Tseshaht First Nation are satisfied with this management in their overlapping asserted traditional territory.

Additionally, the Tseshaht and the Hupacasath will both have seats on the community forest Advisory Committee and permanent seats on the Board of Directors of the AVCF Corporation. This will ensure they have the opportunity to participate in community forest planning discussions, and have a voice in management outcomes.

7.2.2 Community

All members of the community including First Nations, government, and other resource users were welcome at open houses and have been made aware of the community forest web site and survey as described in section 7.1.

7.2.3 Local Government and Government Agencies

The City of Port Alberni has been closely involved in the planning of the licence and management planning. Mayor Ken McRae, City Councilor Jack McLeman and City Manager Ken Watson are all members of the Advisory Committee.

On June 11th 2007 the City of Port Alberni City Council endorsed the community forest by passing the following motion:

That the City write to the Ministry of Forests South Island Forest District Manager, Trish Balcaen, indicating acceptance of the land base currently offered for Port Alberni's Community Forest and indicating the intention to proceed with the formal application process expeditiously. The letter is to express the City's contention that the land base offered needs to be increased in the future to live up to the Ministry of Forests original offer of a Community Forest supporting an AAC of 22,000¹ m³.

On the same day the City of Port Alberni appointed Penny Cote, the ACRD member for Sproat Lake to the Community Forest Advisory Committee.

7.2.4 Other Licenced Resource Users

Informal discussions have occurred with Trappers and Guide Outfitters who hold licences in the community forest area. They have been guided to the AVCF web site for further information and have been encouraged to contact the community forest with any questions and concerns.

7.3 Structure of Ongoing Public Participation

7.3.1 Introduction

Opportunities for public participation and involvement in the community forest will be varied and ongoing.

¹ An AAC of 22,000 m³ was given in the first Timber Supply Analysis report completed for the community forest.

Public involvement is expected to evolve and grow as many community members have expressed interest in helping with the planning and operation of the community forest.

Public awareness will continue to increase once the licence is issued, and the AVCF embarks on harvesting and road maintenance works.

The elected members of council, and staff members from the City of Port Alberni, who will be on the board of directors of the AVCF, are accessible to the public through the City offices. Community Forest concerns may be brought directly to these directors. The board of directors of the AVCF will report results to the City of Port Alberni at regularly scheduled council meetings. An annual report for the AVCF will be prepared and submitted to council annually.

7.3.2 Digital Communication

To ensure that the community forest maintains communication links with the community, the web site established during the public review and comment period will be maintained.

The annual report produced for council will be available on the web site as will harvest plans and contract opportunities. Significant milestones such as the publication of the Forest Stewardship Plan, the commencement of harvesting, and the disbursement of profits to community projects will also be publicized.

The web site will provide an opportunity to directly provide feedback and information to the management team and the board of directors.

7.3.3 Public Meetings

There will be at least one advertised public meeting per year regarding the community forest once it is operating. This may also fulfill the legal requirements for public input into the Forest Stewardship Plan.

7.3.4 Community Forest Advisory Board

The Advisory Committee members are accessible and visible in the community, so that members of the public may bring forward concerns regarding the community forest licence and business to them.

As the community forest moves from the proposal stage to acquiring the licence, it is anticipated that the Advisory Committee will continue to advise the board of directors. With the change from acquiring the licence to running the community forest, the Advisory Committee membership is expected to expand to include a more diverse cross-section of stakeholders.

Once the community forest is operating as a business, it is anticipated that the Advisory Committee will evolve to fulfill the community participation role similar to that required under several third party certification initiatives. It is anticipated that the Advisory Committee will have at least four meetings per year. These will be advertised on the AVCF web site and open to the public.

8.1 Introduction and Management Philosophy

The vision of the AVCF is to put control of lands and resources into the hands of local people by building a financially viable timber and non-timber forest resource business which provides benefits to the community and manages the forest in a sustainable manner that achieves a balance between community values and practicable management.

Forest users are considered part of the assets of the community forest. They provide knowledge and manpower to fulfill the community forest vision, and security for the land base.

The community survey showed that the Port Alberni and Sproat Lake communities appreciate the area of the community forest for water, wildlife, fish, cultural heritage resources, tourism, biodiversity, environmental protection, visual enjoyment, botanical forest products, road access, old growth forests, as a place to work and recreate, as a carbon sink to reduce effects of global warming, and for firewood cutting to name a few.



The land base has a history of multiple forest uses, but there has been little efforts put into promoting or facilitating a diversity of functions. Previous licencees have concentrated on industrial use, with other forest uses considered as constraints on the land base. The AVCF encourages multiple forest use on the same land base. Further descriptions of these non-timber forest uses are found in the Management Plan section of this document (Section 13).







8.2 Differences in Values and Objectives

Port Alberni has a long tradition of being an industrial town with a resource based economy. The community survey and public consultation revealed that most community members would support a balance between harvesting and non-timber forest activities and values as long as the harvesting is done wisely, and is sustainable. “Creation of economic benefit for the community” was ranked 4 of 9 in a list of important uses for the community forest land base surpassed only by water quality and fish habitat protection, protection and/or creation of wildlife habitat, and maintenance of old growth.







Regardless of the issue, the community forest advisory members fully believe that differences in values, objectives, and opinions can be resolved by consultation, education, and transparent operations. The AVCF will post all plans on the website www.communityforest.ca, and planners are open to feedback, discussions, and walks in the woods to ensure all values are respected to the fullest extent possible while maintaining a viable business that provides revenue and benefits to the City of Port Alberni and the Community of Sproat Lake.

9.1 AVCF Goals

-  Demonstrate forestry practices based on community values.
-  Safeguard the domestic water supply to Sproat Lake from the effects of harvesting.

-  Promote a diverse use of the land base.
-  Provide opportunities for meaningful public participation.
-  Create a viable self-sustaining business which will not be a burden to local taxpayers.
-  Manage for a variety of timber and non-timber products while protecting other values that provide community benefits, such as water, recreation and trails, views, wildlife, biodiversity, carbon sequestration, and spirituality.
-  Generate revenues to be retained and utilized for community based projects supported by the Alberni Valley.
-  Advance a high standard of safety for workers and forest users.

9.2 Guiding Principles

-  Achieve financial viability on a continuing basis.
-  Undertake community forestry consistent with high standards of environmental stewardship.
-  Foster and advocate innovative practices in resource and environmental management.
-  Be transparent in all activities by maintaining continuous dialogue with the community about forest management and by maintaining an up-to-date web page on forest activities.
-  Make safety the highest priority.
-  Initiate and sustain partnerships between the AVCF, First Nations, and the community at large.

10 Management Plan: Ownership, Existing Tenures, and Rights Granted to Others

10.1 First Nations

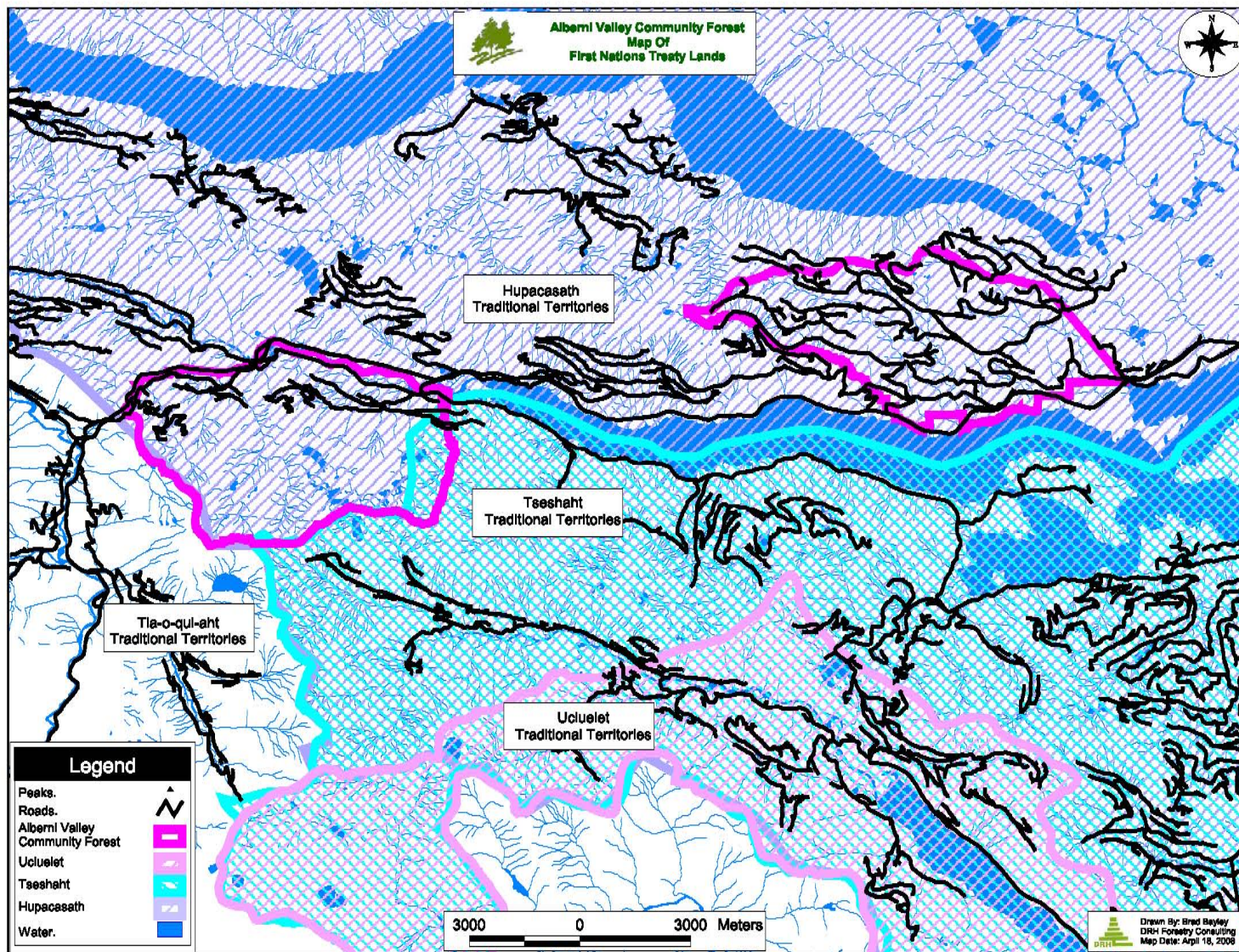


Figure 6: Hupacasath and Tseshah asserted traditional territories.

The community forest is in the asserted traditional territories of the Hupacasath and Tseshah First Nations as shown on map in Figure 6.

The *Constitution Act of 1982* recognizes the existing aboriginal and treaty rights of the aboriginal people of Canada. Dealings with the First Nations are governed by legislation and decisions of the Canadian courts. Through legal decisions the courts are gradually defining and clarifying aboriginal rights and title issues on Crown forest lands, and are providing guidance regarding appropriate consultation processes. Any aboriginal rights, title or interests of the First Nations

within the AVCF are to be defined and clarified through legislation or decisions of the Canadian court system and any treaties the First Nations may make with the Crown.

The AVCF acknowledges that the court system will provide certainty and clarity regarding forest harvesting and tenure issues in British Columbia, but takes no position in respect of the description of the First Nations' traditional territories or aboriginal rights and title.

10.2 Trappers

The Ministry of the Environment controls trapping through regulations and licencing under the Wildlife Act. Local trappers from the City of Port Alberni have the exclusive rights to operate in the AVCF. The trappers are catching beaver, mink, marten, and muskrat in the area of the AVCF. The pelts are sold in North America, Asia, and Europe.

Local trappers were consulted regarding the management of the community forest. They are mainly concerned about maintaining access, as they are only able to trap in roaded areas, and about maintaining open communication. They need to be aware of cutblock locations as these areas will not be good for trapping for five or six years. As well, road building and road maintenance activities can disturb or crush traps. Traps are very difficult to find when hidden in the bush and can easily be overlooked.

The trappers are aware of the community forest web site, and will be placed on a distribution list that provides information about logging activities and harvest commencement dates.

10.3 Guide Outfitters

Vancouver Island is a hunting destination for people from all over the world. Non-resident hunters must hunt under supervision of a guide outfitter. Guide outfitting Management Unit 1-7 intersects the area of the AVCF as show in the map in Figure 7. The AVCF has two guide outfitting tenures within their boundaries. Local Darren DeLuca guides mainly European and American hunters through the Taylor Operating area (www.islandhunter.myubertor.com). Port Hardy resident Sean Lingl has the licence that intersects the Sproat Operating area of the community forest (www.canadianguideoutfitters.com).

The outfitters have indicated that harvesting provides open areas where the bears can enjoy the bounty of berries. Retention areas provide windthrown trees that can make leaves and moss available in the winter time for ungulates.

Sean Lingl was concerned that vehicle and/or ATV access be maintained to hunting areas.

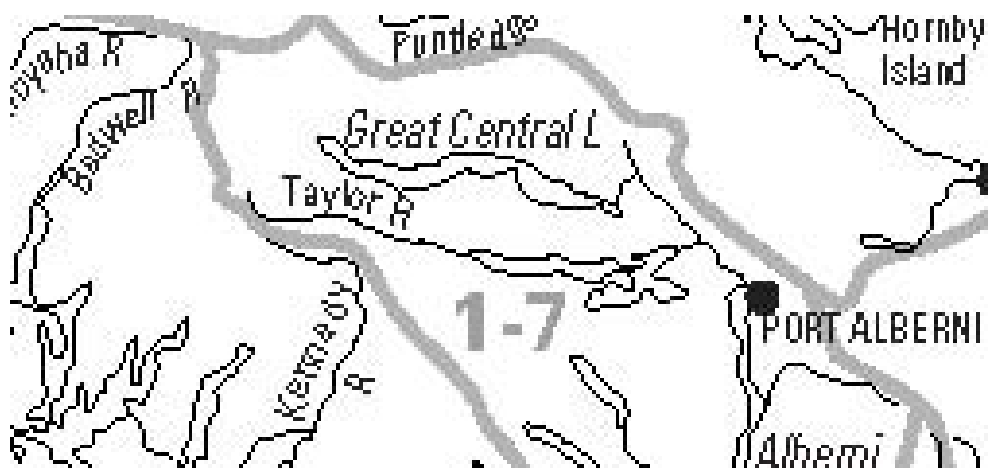


Figure 7: Guide Outfitters: Management Unit 1-7.

11 Management Plan: State of Land and Forest Resources

11.1 Current Management

For over 50 years the area of the AVCF has been managed as a part of TFL 44. During the preparation of the application, the TFL was licenced to Western Forest Products (WFP). The TFL originated from the awarding of Forest Management Licences (FMLs) No. 20 (Tofino) and No. 21 (Alberni) to MacMillan Bloedel's predecessor companies in 1955. On January 17, 2009 the Minister of Forests and Range and Western Forest Products agreed to delete the area of the AVCF from TFL 44 under an agreement titled "instrument 46."

The AVCF proposed land base is available to the Community Forest as part of the Forestry Revitalization Act order of December 2004. In order for the community forest to be issued a licence, the proposed area will have to be deleted from the TFL and reallocated to the AVCF.

The area of the AVCF was recently managed under the guidance of Management Plan #4 for TFL 44. The management philosophy included full implementation of the Forest Practices Code Act; a phasing in of variable retention harvesting; and implementation of ISO and CSA forest certification.

Of note during the public consultation process were the many mentions of the TFL 44 West Island Woodlands Advisory Group (WIWAG) established as a result of the certification process. The public desire to continue being a part of the decision making process through an advisory group is strong.

11.2 Forest Classification

For the purposes of the Timber Supply Analysis (TSA) done by the Crown in 2005, the community forest area was classed by hectares. The classification takes the total Crown forest area, and removes non-productive area such as alpine and rock and road right-of-way. What remains is the total Crown forest land base. From this area reductions are removed for old growth retention, riparian values, economically and physically inoperable land, recreation values, and environmentally sensitive areas. What remains in the Timber

Harvesting Land Base (THLB). Removals or “net-downs” are based on inventories outlined in section 13.2 and are done on a landscape level resulting in rough calculations rather than exact numbers.

Table 1 illustrates that the THLB is 50.9% of the total crown area given to the community forest. Within the forested land base, 36.7% is reserved from harvesting, and 62.7% is available for harvesting.

Only portions of the forested area is old enough to harvest, and because the harvest area is small, the species profile available for market is limited as shown in the sections to follow.

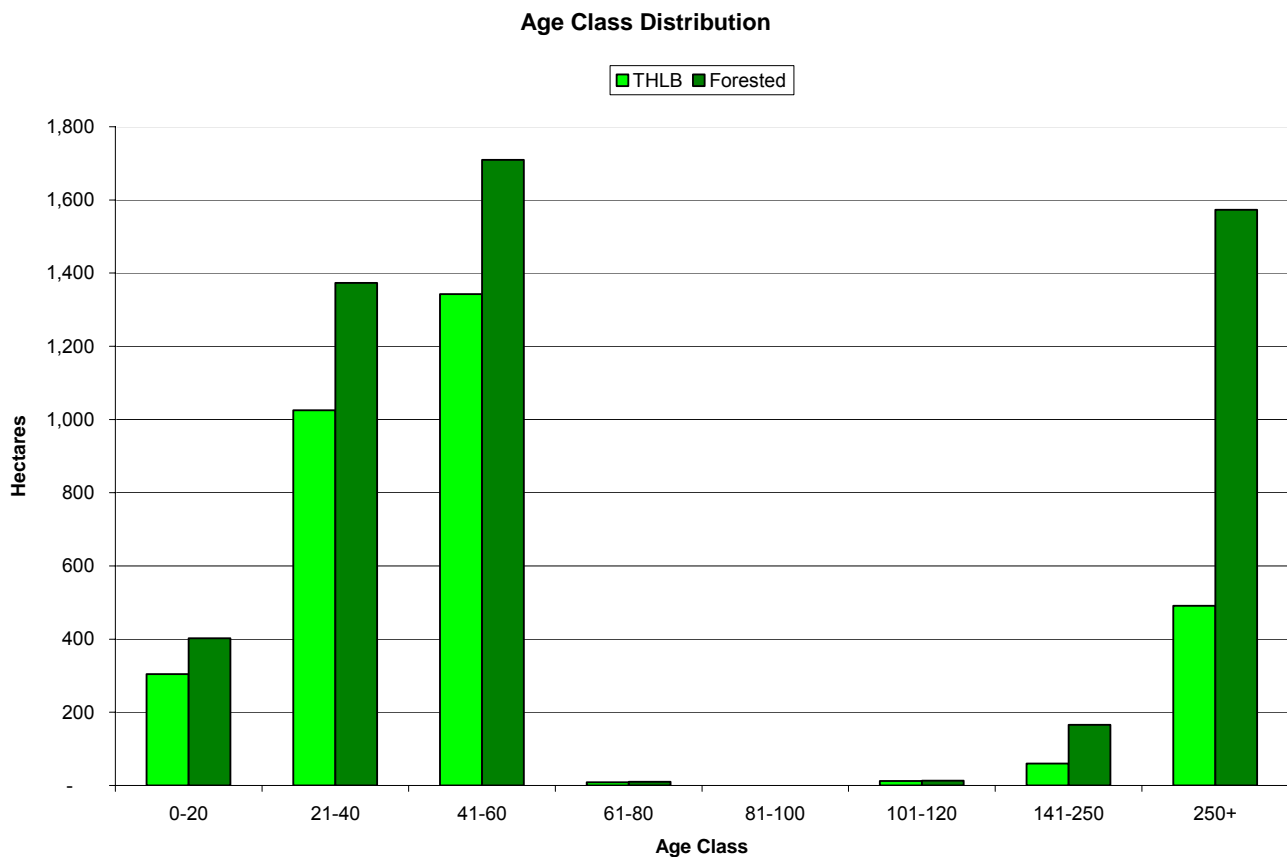
Table 1: Classification of the AVCF Land Base

Classification	Area (hectares)	Percent of Total Area	Percent of Crown Forest Land Base	Percent of Timber Harvesting Land Base
Gross Area of Community Forest	6,377.9	100.0%		
Non-Productive	(1,039.6)	-16.3%		
Existing Road Right-of-way	(161.0)	-2.5%		
Total Crown Forested Land Base	5,177.4	81.2%	100.0%	
Reductions to Crown Forest				
OGMAs	678.1	10.6%	13.1%	20.9%
Riparian Reserves	671.3	10.5%	13.0%	20.7%
Economically Inoperable	216.2	3.4%	4.2%	6.7%
High Recreation Value	122.3	1.9%	2.4%	3.8%
Environmentally Sensitive Areas	167.7	2.6%	3.2%	5.2%
Physically Inoperable	45.5	0.7%	0.9%	1.4%
Total Productive Forest Exclusions	1,901.1	29.8%	36.7%	58.6%
Timber Harvesting Landbase	3,244.7	50.9%	62.7%	100.0%

11.3 Age Classes and Species Composition

Harvesting began in the Sproat Operating area in the early 1940s, and in the Taylor area in the mid to late 1960s. Table 2 shows a graph of the THLB and the forested land base (harvestable and net down areas combined). The largest areas of the forested land base and THLB are in the 41-60 year age range and old growth (over 250 years of age).

Table 2: Age Class Distribution of the Forested Land Base.



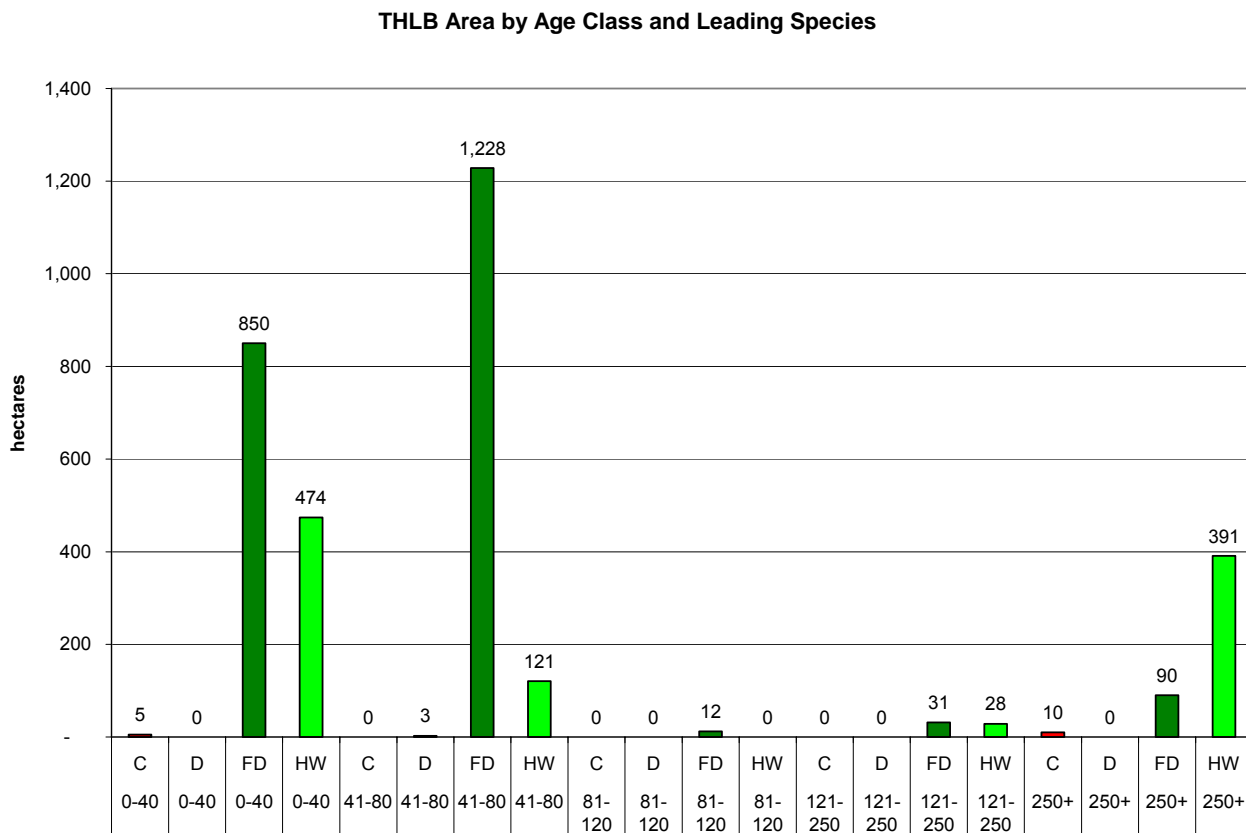
The AVCF timber profile has a shortage of wood of the most desirable harvest ages (61 to 249 years) needed to meet the AVCF objectives. Timber aged 0-41 years in the THLB is too young to harvest in the next ten years and the community has expressed a desire to retain as much old growth as possible.

This graph shows the proportion of the THLB compared with the total forest land base. At a glance it can be seen that only a small proportion of the old growth (250+) forest in the AVCF is available for harvesting. Approximately 3/4 of the old growth is reserved either in OGMAs, or other reserve types.

Table 3 shows a species breakdown by age and hectares in the THLB. Categorization is by the leading, or most prevalent, species in a stand. The AVCF forest profile is limited to Western Hemlock (HW), Coastal Douglas Fir (FD), Western Red Cedar (CW) and deciduous (D) which includes Red Alder and Big Leaf Maple.

The table clearly shows that the vast majority of harvestable stands in the AVCF are 41-80 year old (second growth) Douglas Fir, followed by immature (not ready to harvest) Douglas Fir and Western Hemlock stands. Additionally, 481 hectares of old growth Douglas Fir and Hemlock are available to harvest, as well as a smattering of Western Red Cedar, Douglas Fir, and Western Hemlock in other age classes.

Table 3: THLB Area by Age Class and Leading Species.

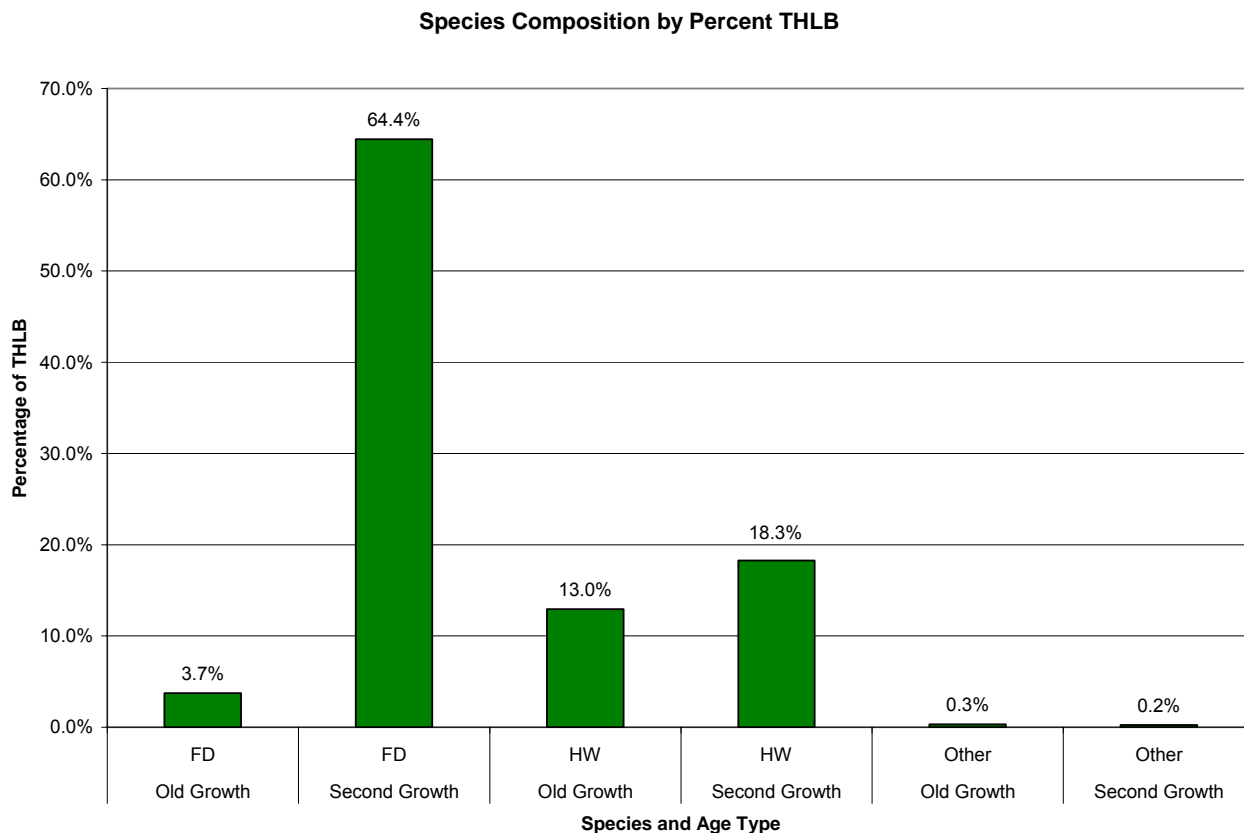


The species and age class profile results in a disadvantage to the AVCF as it may not be able to use the markets to their advantage by harvesting the most profitable species and age classes.

Table 4 lists the species composition by percent of THLB. More than half the timber harvesting opportunities (64.4%) are second growth Douglas Fir; and second growth Western Hemlock. Both of these timber types have low market values in early 2008.

When the second growth market is not profitable, there are opportunities for harvesting old growth Douglas Fir and Western Hemlock. A balance between the harvest of old growth and preservation will have to be found as the community ranked the maintenance of old growth forests higher in priority than creation of economic benefit for the community in the community survey. The level of “maintenance” required to satisfy the community is still being explored.

Table 4: Species Profile by Percent THLB.



11.4 Site Index (Growth Rates)

As per the April 15, 2005 TSA for the AVCF, the average site index (SI) for the community forest is 26. This is considered a relatively poor SI and is indicative of moderate or poor growing sites. The Ministry of Forests and Range plans a reevaluation of the landscape level SIs as they consistently have been found to be lower than cruised SIs. The impact of this low SI is a reduction in AAC. With better information in the future, the AAC for the community forest may increase for the next management plan. The South Island Forest District has committed to seek funding with partners from the Forest Investment Account (FIA) to invest in a new forest inventory for the Arrowsmith Timber Supply Area and associated area based licences.

11.5 Biogeoclimatic Zones

11.5.1 Sproat Operating Area

The biogeoclimatic zones of the Sproat Operating Area include the Very Dry Maritime Coastal Western Hemlock Subzone (CWHxm) at lower elevations to approximately 700 m. This subzone is characterized by warm dry summers and moist mild winters, with relatively little snowfall. The Montane Moist Maritime Coastal Western Hemlock variant (CWHmm2) occurs at elevations of 700 m and higher. This variant is characterized by cooler temperatures, shorter growing seasons, and heavier snowfalls, with snow-packs persisting throughout the winter.

11.5.2 Taylor Operating Area

The biogeoclimatic zones of the Taylor Operating Area include the Submonane Moist Maritime Coastal Western Hemlock variant (CWHmm1) at lower elevations; the Montane Very Wet Maritime Coastal Western Hemlock (CWHvm2) variant at middle to upper elevations; and the Windward Moist Maritime Mountain Hemlock Variant at 800 m to the alpine.

The CWHmm1 is characterized by moist mild winters and cool but relatively dry summers. The CWHvm2 is characterized by a wet humid climate with cool short summers, and cool winters featuring substantial snowfall. The MHmm1 has very short growing seasons and small trees. It is characterized by long, wet cold winters, and short, cool, moist summers.

11.6 Roads and Public Access Considerations

11.6.1 Public Access and Safety

The Sproat Operating Area is accessed by the High Level Road connecting to Ash Main at the boundary with Island Timberlands, and the AW21 road which joins Highway 4 east of Taylor Arm Provincial Park. These roads were built to large “off highway” truck standards and will be suitable for highway logging truck use once some brushing and surface maintenance is completed.

There are two bridges on AW21 road that will require replacement to access areas beyond the structures. These bridges will be replaced when needed for timber harvesting.

There is an old bridge at Clutesi Creek connecting the AW21 and AW22 road systems that will require removal. It was used until recent years, by snowmobiles and ATVs to gain access to alpine areas above the Community Forest. These areas can now be accessed by the new road system to the west of Friesen Creek.

The Taylor Operating Area is accessed by Taylor Main which connects to Highway 4 at the Taylor River rest stop, and Sutton Pass. The main route into the Taylor Unit was upgraded by MacMillan Bloedel in 1999 to access a cutblock at the top of TA552 road. It requires some maintenance to upgrade it for future harvest. The Taylor mainline is required by BC Timber Sales and maintenance costs on the portion needed by the community forest will be shared.

The highway access points will require stop signs, road name signs, and radio frequency signage prior to industrial use. The use of gates in the AVCF will be restricted to gates to protect equipment and felled timber in active logging areas or to close off access during fire closures. Roads within the community forest are open for use at all other times. Road rehabilitation (no access) will be limited to short term use roads and any roads that are an environmental concern for stability or water quality.

11.6.2 Roads

11.6.2.1 Permanent Access Structures

The inventory of built permanent access structures (roads) was derived from orthophotos and TFL 44 data, and was spatially calculated at 161 ha, or 2.5% of the gross crown forest area of 6378 ha. This area is not considered part of the forested land base.

11.6.2.2 Construction, Maintenance, and Deactivation

Road construction, maintenance, deactivation, and rehabilitation activities will be conducted in accordance with the prevailing legislation and subject to wet weather shutdown requirements. As much of the AVCF is already roaded, the primary focus will be on reactivation of old roads and the eventual deactivation of those roads following completion of harvesting activities.

Frequent inspections during wet weather and timely road repairs will be part of the normal operations.

Revegetation of road cut slopes to reduce soil erosion will be done where required to safeguard water quality. Seed mixes deemed appropriate for the respective sites will be applied as soon after disturbance as biologically possible to minimize erosion.

11.7 Cultural Considerations

In 2003 and 2004 the Hupacasath First Nation prepared a two part Land Use Plan (HLUP) with the goal of defining Hupacasath forest values and management objectives at the territorial level. The plan gives a First Nation's vision of sustainable development in order to ensure that cultural, ecological, and resource values are managed sustainably. The Tseshaht First Nation have expressed the opinion that management as per the Hupacasath plan would also satisfy their management objectives.

Phase 2 of the HLUP separates land areas into zones. The community forest operating areas are designated as the Sproat Lake and Taylor Special Management Zones. Resource values including the cultural significance of the areas and management objectives for these zones are summarized in Appendix B, *Hupacasath Land Use Plan 2003 Land Use Designations and Management Values*.

The largest impacts of the HLUP to the THLB of the community forest are the requirements for increased buffers on either side of all streams, particularly on Clutesi and Friesen creeks, and for 30% of the harvestable area to be reserved as "within cutblock retention." Buffers on creeks are meant to provide increased protection of water quality as well as reserve areas of cultural significance and areas with a higher proportion of Western Red Cedar and Yellow Cedar. Within cutblock retention is aimed at preserving forest structure for biodiversity.

Although many of the management practices are based on good science and commonly carried out in the forest management community, a drawback of the plan is that it is very prescriptive when forest legislation and practices are evolving to measure results rather than dictating how the results are achieved. Additionally, some of the standards of 2003 and 2004 plan are now inconsistent with legislative requirements of FRPA. The Hupacasath First Nation have agreed that results are also important to them and they acknowledge that it is not practicable to follow a cookbook in a complex ecosystem. The AVCF will consult with the Hupacasath First Nation on a cutblock by cutblock basis concerning harvesting plans with the intention of adhering to the overall cultural and forest management objectives contained in the HLUP. Where practices in the plan cannot be achieved, the Hupacasath and the AVCF will work together to achieve an outcome that is satisfactory to all.

11.8 Environmental Considerations

11.8.1 Water Quality

The highest priority environmental concern for the community is the cleanliness and supply of water in the Sproat Lake Community Watershed. In this respect the community is aligned with the Hupacasath First Nation in the desire to protect water.

As the community forest is in a Community Watershed all streams are classified and treated as per the S4 standards as a minimum. Under current FRPA legislation S4 streams have a 30 m riparian management area where there is no specific minimum retention level required. The HLUP requires high levels of retention in riparian management areas.

The use of herbicides, pesticides, and fertilizers will be restricted such that there is no opportunity for these chemicals to enter the water supply. Chemical use is also a concern for the botanical forest product industry, wildlife, and the First Nations, as they have the potential to contaminate a human or animal food supply. Natural alternatives to herbicides and pesticides such as compost and compost teas, as well as biological controls of pests will be used wherever practicable.

Sedimentation from soil entering the water either from harvesting or from road maintenance will deteriorate water quality for human consumption and for fish. Practices that mitigate soil sedimentation will be employed.

Recreational vehicles can also have an impact on water quality. Although, under the community forest licence agreement, recreational vehicles cannot be restricted, low-impact recreation will be encouraged over the use of recreational vehicles that may cause soil erosion.

11.8.2 Protection and/or Creation of Wildlife Habitat

Secondary in the community survey was the community's desire to protect or create wildlife habitat. The current FRPA legislation, in consultation with the Ministry of the Environment, requires a large number of areas to be reserved from timber harvesting which allows for wildlife habitat protection across the landscape. These reserves are of a multitude of age classes and species allowing for a wide variety of characteristics in the protected areas. Additionally, a legislated percentage of every cutblock must be set aside for wildlife for the duration of the rotation (until the next harvest period).

Creation of old growth characteristics and wildlife habitats in areas where the required diversity is lacking (mainly areas of similarly aged second growth stands) is important and will be considered by the Licencee should funding for this type of forest enhancement activity become available.

11.8.3 Protection of Old Growth

Survey results gave mixed messages of where the protection of old growth lies in the list of community values. The message, however, is that it is at the top, and is as high, if not higher than obtaining economic value from the forest.

Unfortunately, what was likely not clear in the material presented during the public consultation is that approximately 3/4 of the old growth forest in the AVCF is protected

under the current FRPA legislation. The remaining 1/4 or approximately 500 hectares, is in the THLB; and a large proportion of this is in the Taylor Operating area.

Removal of all old growth from the THLB will limit economic opportunities for the community forest; but will provide some additional area for wildlife, water protection, carbon sequestration, spiritual values and many more non-timber forest values. The level of trade-off of economic benefit for non-timber values that the community desires is unclear. Clarity in this issue is expected to come as the Forest Stewardship Plan is developed and a comprehensive harvesting plan is proposed.

11.8.4 *Climate Change*

Forest practices can reduce or contribute to climate change. Growing trees sequester carbon, while poor utilization and burning or residual slash emits carbon that would otherwise be locked up in the end wood products or released slowly through decomposition. Maximizing utilization, reducing the reliance on piling and burning to make areas plantable and reduce the fire hazard, and growing trees for sequestration are practices that the AVCF will promote.

A long-term goal for the community forest is to be carbon neutral. Once that goal is reached, additional carbon sequestered may be sold as carbon offsets to other companies that wish to have a carbon neutral footprint. Possibilities in this realm still need to be explored.

11.8.5 *Sustainable Harvesting of Botanical Forest Products*

Unmonitored harvesting of non-timber forest products can lead to over-harvesting and a depletion of supply, as well as damage to regenerating trees. The AVCF will work towards integrating best practice silviculture management and innovative best practice standards for botanical forest products to create a sustainable non-timber forest practices industry.

12 Management Plan: Proposed Allowable Annual Cut

The proposed Allowable Annual Cut (AAC) for the AVCF was originally calculated in a TSA report dated April 15, 2005 prepared by Forsite Limited for the Ministry of Forests and Range for a proposed total area of 7375.3 ha and a projected AAC of 22,063 m³/year.

Eventually the area was reduced by 997 ha to 6378 ha. The resulting AAC was calculated as 18,688 m³/year over the next 5 years as given in an addendum to the TSA dated March 2006.

The AVCF will continue to encourage the Ministry of Forests and Range to identify additional area and AAC, so that the AAC described by the Minister of Forests and Range in 2004 may be forthcoming to add to the opportunities of a successful community forest business.

The AAC was calculated considering legislated constraints, as well as physical constraints of the landscape, and biological constraints of species to be managed.

TSA calculations proposing AACs for the AVCF considered the following:

- Inventories.

- Timber harvest specifications proposed for the timber resources in the agreement area.
- Reductions that are necessary to facilitate the management and conservation of non-timber resource values in the agreement area, including visual quality, biological diversity, soils, recreation resources, cultural heritage resources, range land, wildlife, water and fish habitats.
- Silviculture practices and forest health factors that may impact on timber production.
- The anticipated impact of the reductions to the productive portion of the agreement area due to permanent roads, landings, pits and trails.
- Any other factors that may impact on the allowable annual cut during each year.

Details of these considerations are found in the TSA reports in Appendix D, *Timber Supply Analysis*.

The AAC proposed by the government in the Forsite report was based on the assumption that the silviculture system would be clearcutting, that all available old growth in the THLB would be harvested, and these would be the first areas to be harvested (so that the younger stands could grow old enough to harvest). Additionally, the data-set used by Forsite had not been updated since 2001 and two cutblocks totaling approximately 29 hectares that had been harvested were assumed to be mature timber.

Because of errors in the Forsite data-set, a rerun of the Timber Supply Analysis was undertaken. It determined that the AAC could average 18,156 m³/year for the first 100 years and 20,000 m³/year thereafter³ when only the legislated requirements were of FRPA are considered.

However, the provincial community forest's program's stated objective to *Provide long-term opportunities for achieving a range of community objectives, values and priorities* allows the community to impose additional constraints on forest resources that are above and beyond the legislated constraints required in an industrial forestry AAC calculation that must be considered when calculating the AAC in a community forest.

Additional forest management considerations were proposed by the community during the public consultation period and have been outlined in the preceding discussions. Although the TSA was not recalculated for this plan, several scenarios were developed using the TSA data and the impact of proposed additional constraints and are shown in Figure 8.

³ Re-run calculations and graphs complements of Dr. John Nelson of University of British Columbia department of Forest Resources Management.

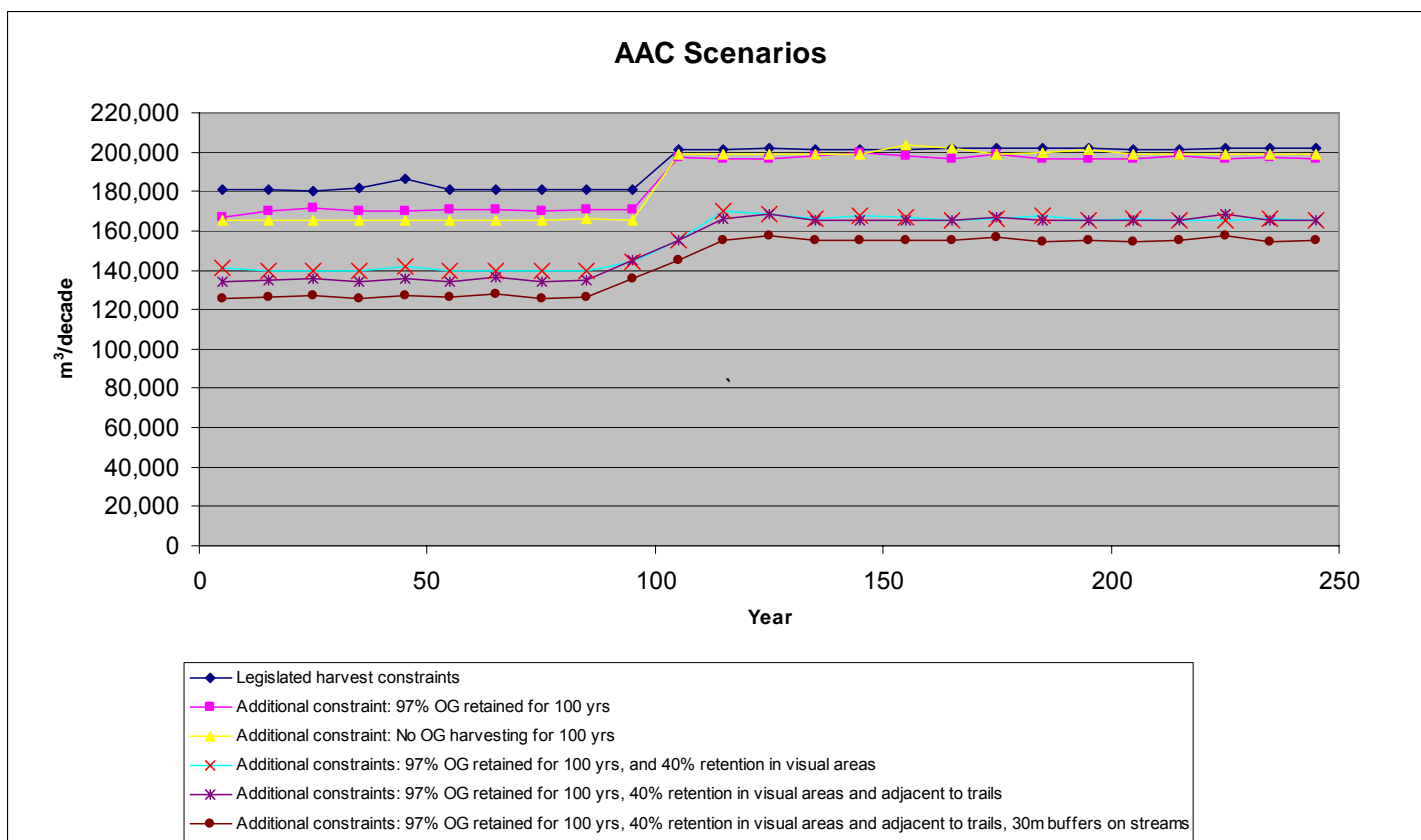


Figure 8: Potential AAC scenarios based on forest management considerations proposed during public consultation.

In summary, the proposed scenarios and the resulting AAC are as follows:







Scenario	Resulting AAC m ³ /year	Incremental net-down (%)
Legislated harvest constraints	18,156	0
97% Old Growth retained for 100 years	17,034	6
No Old Growth harvesting for 100 years	16,549	9
97% Old Growth retained for 100 years and 40% retention in visual areas	14,048	23
97% Old Growth retained for 100 years and 40% retention in visual areas and adjacent to trails	13,610	25
97% Old Growth retained for 100 years and 40% retention in visual areas and adjacent to trails, and 30 m buffers on streams	12,754	30

Although only a few of the impacts of community values and priorities are modeled, this table gives an idea of the potential impacts of implementing harvest scenarios which include strategies to meet the desires of the community.

Some strategies can meet multiple community values. For example, a strategy to retain incremental stream buffers may help meet the First Nation's spiritual needs and their need

for future Western Red Cedar and Yellow Cedar for traditional uses, as well as the Sproat Lake community's requirement to protect their water supply. Depending on the extent, implementation of additional stream buffers may have as high as a 5% impact on the AAC.






When considering if the AVCF could meet an AAC of 18,156 m³ for the licence the following issues were considered and impacts were evaluated:

-  The AAC is calculated using a clearcut silviculture system which is not socially acceptable for the community forest. Retention silviculture systems leave portions of the THLB in the cutblock. This would reduce the short term availability of timber and the short term AAC.
-  The Provincial Community Forest Program Objectives states that the province wishes to “*undertake community forestry consistent with sound principles of environmental stewardship that reflect a broad spectrum of values*”. Meeting this objective requires careful consideration of community values and priorities.
 - The priorities set by the community includes the protection of water and promotion of recreational values. These objectives may require incremental buffers on streams and adjacent to trails which would reduce the long term availability of timber and the AAC.
 - The priorities set by the community includes retention of old growth. The TSA modeled harvesting of all non-protected old growth in the THLB first. There was no consideration of the remaining forest age class distribution (mostly less than 60 years of age).
-  The limited forest age class and species distribution forces the community forest into providing products for a second-growth Douglas Fir or old growth Western Hemlock market. These markets have ups and downs not considered in a TSA; and it is of benefit to the community to harvest only when the markets are up. Harvesting these products when the market is down is contrary to the stated goal to “*create a viable self-sustaining business which will not be a burden to local taxpayers*”.
-  Although one of the stated objectives of the Provincial Community Forest Program is to “*promote communication and strengthen relationships between Aboriginal and non-Aboriginal communities and persons*”, the TSA does not take First Nations values into account. Strengthening relationships requires protecting cultural values and heritage resources. There are no net downs in the TSA for timber that will need to be left on the land base to meet these objectives.
-  Because of the age class distribution of the forest land base, with a restrictive cut control the AVCF may be forced by the government licence requirement to harvest old growth, trails, visual areas, and stream sides simply to meet cut control requirements. The cut control addresses the Provincial Community Forest Program Objective “*Provide social and economic benefits to British Columbia*” at the detriment of the other objectives.
-  During the first few years of operation the outcome of implementing forest practices based on community values should become more evident.

Because of the considerations listed above, the AVCF agreement holder proposes that the AAC be maintained as 18,156 m³/year but expects that the AAC will need to be re-evaluated after the

first five years once the community priorities become more apparent on an operational level. At the end of the first five years AVCF can determine if the AAC can or cannot be achieved in the context of forestry based on community values.

The AVCF will need to ensure the following when managing cut control and the AAC:

-  The communities priorities for non-timber forest values can be accommodated.
-  Old growth can be harvested in small amounts when the market makes harvesting of small areas advantageous. This will preserve a significant portion of the old growth that is available in the THLB and the AVCF can avoid harvesting large amounts of old growth with little or no profit simply out of necessity to meet cut control requirements.
-  Wood will only be harvested and sold when the market is favorable for the age and species available in the community forest.
-  Harvesting can be planned such that it is sufficiently profitable for road access (which is an overhead cost rather than a stumpage deduction for community forests) to be built.
-  The effects of over harvesting the 41-60 year age profile can be controlled such that the some of this age class can grow to fill in the gaps of the missing age classes such that, in the future, harvesting can be done annually at an even rate. These additional age classes will also increase biodiversity in the AVCF.

The government can be assured that sufficient harvesting will occur in the AVCF to cover the \$6718 annual rent requirement of the licence.

13 Management Plan: Resource Objectives

13.1 Legislation and Higher Level Plans – Guidance Documents for the Management Plan

The AVCF Management Plan is consistent with the current forestry legislation, the community forest agreement application and licence package, and higher level plans. Plans and legislative requirements affecting planning in the community forest are summarized in Appendix C, *Legislation and Higher Level Plans – Guidance Documents for the Management Plan*.

Although some objectives and strategies overlap with FRPA objectives that will be outlined in a future Forest Stewardship Plan, the Advisory Committee chose to include these in the Management Plan because of requests from the public to see this information in advance of giving their support to the AVCF proposal. The objectives are not in conflict with FRPA

objectives or requirements; but are more specific about how FRPA objectives may be achieved on the AVCF land base.

13.2 Resource Inventories

13.2.1 Introduction

Resource inventories are used in various phases of harvest planning, particularly in the TSA of the Management Plan.

Resource inventories for the community forest were inherited from TFL 44 and are generally on a 1:20,000 landscape level scale. Because of the association with TFL 44 the AVCF is very fortunate to have a large amount of up to date inventory data. The inventories are described here and are summarized in the attached 1:20000 scale maps.

13.2.2 Forest (Timber) Inventory

The TFL 44 forest inventory was maintained and updated (to reflect changes due to harvesting, silvicultural activities, property additions or deletions and changes in property tenures) by WFP and given to the community forest for purposes of determining the AAC. A substantial area of older second growth including some areas in the community forest was recently cruised providing more accurate data.

The basic building block of the inventory is the “stand.” Each stand is identified by the following variables:

- A measure of site productivity: expressed by 3-metre site index classes.
- Age of immature by year established.
- Up to three species: in descending order of basal area.
- A measure of stocking:
 - Volume class in mature and in older second growth cruised during the last 20 years;
 - Basal area in cruised second-growth stands; and
 - Number of stems per hectare and distribution in younger stands.

The South Island Forest District has committed to seek funding with partners from the FIA to invest in a new forest inventory for the Arrowsmith Timber Supply Area and associated area based licences.

13.2.3 Terrain

Terrain stability mapping for the plan area uses the five class system for mapping terrain stability. Classes I, II, and III are considered stable, class IV is considered potentially unstable and class V is unstable. TFL 44 has shared its full five class and soil sensitivity mapping for Sproat community Watershed.

13.2.4 *Operability*

The mature productive forest was assessed for physical operability and for broad classes of logging methods. The assessment was done in 1993. Three classes have been mapped, specifically:

- Physically Inoperable Timber: Timber on productive land that is steep and/or rocky and it cannot be safely felled or yarded, or a significant proportion of the volume could not be recovered.
- Conventional Harvest Systems: Includes timber on productive, physically operable land that is harvestable by conventional methods, i.e., grapple, high-lead, hoe-chuck, skidder, etc.
- Non-conventional Harvest Systems: Includes timber on productive, physically operable land that is harvestable only by non-conventional methods. These include helicopter, balloon or long-line cable systems.

Both conventional and non-conventional harvest systems are included in the THLB, while physically inoperable timber was excluded.

13.2.2 *Recreation and Trails*

A recreation inventory including recreation areas and features has been maintained by WFP for TFL 44. This information was passed onto the AVCF. The AVCF wishes to update this inventory as more accurate data can easily be collected for the smaller community forest land base.

GPS data of significant trails within the community forest were obtained from the ACRD.

13.2.5 *Visual Landscape*

The visual landscape inventory was updated by WFP in 2000 to 1997 Ministry of Forests and Range standards. Scenic areas and corridors in and adjacent to the AVCF have been established under a Sec 7(1) Government Actions Regulation (FRPA) Order. In addition to landscape polygons with recommended visual quality classes, the inventory includes the Highway 4 corridor, and the a corridor through the centre of Sproat Lake.

13.2.6 *Wildlife*

Inventories of Wildlife Habitat Areas including Ungulate Winter Ranges and Marbled Murrelet Habitat Areas (MAMU) are maintained by the Ministry of Forests and Range. Spatial data can be downloaded from their websites. There are no MAMU or UWR areas in the AVCF. One Ungulate Winter Range confirmed under order #U-1-013 is just outside the west boundary of the Sproat Operating Area.

13.2.7 *Riparian*

The WFP Sproat Operation maintained an inventory of stream classifications (S1 to S6) and occurrence of fish at a scale of 1:20 000 which was passed on to the AVCF. This database has continuously been updated with 1:5000 level data, and the AVCF will maintain this level of spatial data collection.

13.2.8 Terrestrial Ecosystem Mapping

Ecosystem mapping is the stratification of a landscape into map units, according to a combination of ecological features, primarily climate, physiography, surficial material, bedrock geology, soil, and vegetation. Terrestrial Ecosystem Mapping is a methodology which requires direct air photo interpretation of ecosystem attributes by a mapper. The TEM mapping was completed for the Sproat Lake Watershed. This data is held by BCTS and is available for purchase by the AVCF.

13.2.9 Sensitive Ecosystem Inventory

A Sensitive Ecosystems Inventory (SEI) systematically identifies and maps rare and fragile ecosystems in a given area. The information is derived from aerial photography, supported by selective field checking of the data. The purpose of the SEI is to identify areas of rare and fragile terrestrial ecosystems and to encourage land-use decisions that will ensure the continued integrity of these ecosystems.

In addition to identification of habitat diversity, SEI is a valuable tool that can assist in the identification of likely habitat for rare and endangered species.

WFP completed a SEI for TFL 44. This data is available for the community forest area.

13.2.10 Old Growth Management Areas (OGMAs)

Spatial inventories of OGMAs have been developed for the Sproat Landscape Unit (LU) Plan. These became legal requirements on June 30, 2005 under the Order to Establish a Landscape Unit and Objectives, Sproat Lake Landscape Unit. The inventory is maintained by the Ministry of Forests and Range and spatial data can be downloaded from their website.

13.3 Resource Management Objectives for Timber and Non-Timber Values

13.3.1 Timber Resource Objectives

13.3.1.1 Background Information:

Along with the benefit of local management of the forest resource, the main benefit of the community forest for the community is that profits from harvesting will be returned to the community for community projects. Secondary benefits include jobs either in harvesting the timber, or through purchases made in the community for work in the community forest.

Maximizing benefits to the community will be done through marketing timber from the community forest through a competitive bidding process. Local companies are expected to be very competitive because proximity to the wood reduces costs for transportation and accommodation. The community forest will encourage wood buyers who are interested in primary and value-added processing in the Alberni Valley.

Harvesting plans will be designed to obtain a balance between timber and non-timber values while maintaining a profitable business.

Some experimentation is expected with a selection silviculture system. This system has rarely been used in coastal Douglas Fir and Western Hemlock forests. Results of this harvesting regime are unknown. The potential obstacles of implementation in a community forest needs to be tested over the first few years of operation.

Providing a continuous flow of wood from the community forest will require some silvicultural intervention in order to increase the volume of wood in the greater than 60 year age class. During the first few years of operation the AVCF will take the first steps to move towards a more even age class distribution for the forest.










The community forest aims to minimize wood waste and logs left on the ground. Wood waste adds up, and opportunities in British Columbia communities are lost as the wood is not going to mills to be processed.

The community forest will endeavour to meet or exceed the BC Coastal Utilization Standards while being mindful of coarse woody debris requirements in the Forest and Range Practices Act that promote wildlife and soil productivity. Log salvage and firewood cutting will be promoted where the tree quality and species mix makes this diverse utilization a sound business decision.

13.3.1.2 Objectives:

The timber resource objective is to provide, in the long-term, a continuous flow of timber from the Community Forest land base in the most economically efficient manner that ensures economic benefit to the community, a viable business for the City of Port Alberni, and a balance between harvesting and other forest values.

13.3.1.3 Strategies to Meet Objectives:

-  Manage planning, silviculture, and harvesting in a cost effective manner.
-  Maximize wood value by selling logs to the highest bidder.
-  Encourage wood buyers who are interested in primary and value-added processing in the Alberni Valley.
-  Minimize wood waste in balance with coarse woody debris requirements.
-  Make logs available to small local manufacturers.
-  Improve inventory of timber resources.
-  Experiment with selection silviculture systems.
-  Use incremental silviculture such as fertilization (where appropriate) and manual brush control (avoiding the use of toxins) to increase growth rate of forests less than 60 years of age to reduce dependence on old growth to make the Community Forest business viable.
-  Seek funding for incremental silviculture.

13.3.2 Community Watershed Objectives

13.3.2.1 Background Information:

The AVCF operating areas are in the Sproat Lake Community Watershed designated under the Forest and Range Practices Act. The water purveyor is the Hupacasath First Nation. The water intake is located on the Sproat River, east of the community forest approximately 1 km

downstream from the lake outlet. Although, officially the Community Watershed designation is based on this water licence. Additionally, many lakeside homes take water directly from Sproat Lake. The legal rationalizations around the Community Watershed are a moot point, as the community is very concerned over the quality of water in Sproat Lake.













As a result of the community watershed designation, all streams within the AVCF are classified as S1 to S4 as per current FRPA legislation.

Because of concerns over water quality in Sproat Lake, BC Timber Sales with the Ministry of Forests and Range is currently undertaking a Coastal Watershed Assessment Procedure (CWAP) for the Sproat Lake Watershed. The CWAP will make recommendations for managing the hydrologic impacts of forest harvesting activities within the watershed. These recommendations usually relate to managing water and terrain stability concerns associated with road construction and maintenance and sometimes to limiting the amount of harvesting within a certain drainage basin or sub-basin. The CWAP should be available by mid 2008.

13.3.2.2 Objectives:

To manage timber and non-timber resources such that water quality, quantity, and timing of flow are not impacted in either the short or long-terms.

13.3.2.3 Strategies to Meet Objectives:

-  Plan to minimize road requirements.
-  Plan for temporary rather than permanent roads in areas where there is a high likelihood of erosion into streams.
-  Carry out frequent road inspections and minimize delays in road repairs.
-  Deactivate roads where appropriate in a timely manner.
-  Minimize soil disturbance during harvesting.
-  Install adequate culverts to ensure natural water courses are maintained.
-  Revegetate right-of-ways, cut slopes, road surfaces, and landings where the revegetation will reduce soil erosion into streams.
-  Follow the recommendations of the forthcoming Sproat CWAP.
-  Implement only those silviculture practices that have negligible impacts on water quality.
-  At a minimum, adopt Western Forest Product's terrain management code of practice.
-  Plan partial cut or retention silviculture systems to focus retention in riparian areas.
-  Consult and cooperate with local groups promoting water quality.

13.3.3 Fisheries and Riparian Objectives

13.3.3.1 Background Information:



Sproat Lake and associated fish-bearing streams are high value fish habitat. These waters are known to contain coho salmon, sockeye salmon, chinook salmon, cutthroat trout, dolly varden, kokanee, prickly sculpin, rainbow trout, steelhead, and threespine Stickleback. The lake is frequently stocked with cutthroat trout.

There are sensitive salmon beach spawning areas at the west end of Taylor Arm. Water from streams in the Taylor Operating area are tributaries of the Taylor River, which feeds these beaches.

13.3.3.2 Objectives:

To manage timber and non-timber resources such that water quality, quantity, and timing of flow are not impacted in either the short or long-terms.

13.3.3.3 Strategies to Meet Objectives:

-  Strategies outlined for Community Watershed Objectives will also benefit fish.
-  Consult and cooperate with local groups promoting improved fish habitat.

13.3.4 Recreation Objectives

13.3.4.1 Background Information:

Recreation in and adjacent to the community forest area includes hiking, mountain biking, backcountry camping, canoeing, tubing, four-wheeling, hunting, fishing, camping, wildlife viewing, bouldering, nature interpretation, and snowmobiling.

Boaters, canoeists and kayakers use Sproat Lake during the summer and a houseboat rental business operates on the lake. Fishing, camping, picnicking and swimming are other activities that occur in abundance in or adjacent to the lake, outside of the community forest, but may be impacted by activities within the forest.

Trails are used as a part of, or to access, a large majority of the recreation opportunities in the community forest. None of the trails in the community forest are currently signed, so users must be familiar with, or have a map to, their location. Road access is of particular concern to recreational users who are concerned that trailheads and shortcuts to trails remain accessible.

Popular trails include the Teodoro trail, the Sproat Lake Lookout trail, and the Weiner Falls Trail in the eastern portion of the Sproat Operating area. Trail heads all originate at Highway 4 giving an opportunity for easy access for the many people traveling between Port Alberni and the west coast of the island. Other small side trails provide an extensive mountain biking network connecting gravel logging roads.

The Teodoro trail was named by the local trail builders after Teodoro Cabrera, a Mexican environmental activist who was jailed for opposing widespread logging in Mexican old growth forests. The Teodoro Trail passes through second growth Fd and a small area of low-elevation and relatively accessible old growth.

The Sproat Lake Lookout Trail combines existing roads with the hiking trail to arrive at a good viewpoint at about 650 m elevation. There are some concrete footings here, the remains of a fire lookout tower.

The Weiner Falls trail parallels a hydro line up the east end of the block to a spectacular 20 m water fall.

In the Taylor Operating Area, the Klitsa trail (a.k.a. The Brooke George trail), the Brigade Lake trail, and the Adder trail provide access to high alpine where the many lakes and alpine ecology

can be enjoyed in a quiet and unhurried environment. Although not a designated park, the Gibson-Klitsa Plateau is a widely enjoyed as a hiking and backcountry camping destination.

The Mount Klitsa Trail to the summit of Mt. Klitsa is a rough and steep trail only suitable for experienced hikers. There are trailheads at either end of the trail, one is within the community forest.

The Brigade Lake trail was built to a very high standard with wooden staircases on steep sections. The trail has not been maintained since it was built so the structures may not be in good repair. When the TA552 road is open, the steepest part of the trail is bypassed and the alpine becomes more accessible.

One operating strategy to address the recreation opportunities of the AVCF is to plan the harvest timing of certain cutblocks so that the roads may be upgraded to provide recreation as well as harvesting access. For instance, the community forest will likely identify an old growth cutblock in the Taylor Operating Area for harvest in year two or three of the plan, so that the TA552 road that accesses the Brigade Lakes area may be opened.

The Adder Trail runs inside the west edge of the community forest from the Nahmint Valley to the end of a road above Sutton Pass. It runs generally above tree-line and has scenic view that overlook the Kennedy River and Sutton Pass. The public indicated that the old growth “hanging valley” Hemlock/Balsam stand accessed by the Adder trail just prior to entering the alpine is appreciated by hikers as a place of great spirituality and rare beauty.

In many cases the trails, rivers, and recreational areas, in the community forest are located to intersect areas reserved for other resource considerations such as visuals, slope stability, wildlife habitat, and OGMAs. However, there is still a potential for harvesting activities to disrupt the use of or eliminate recreational opportunities in the community forest. Strategies in this plan include methods to mitigate impact on recreational activities.



The edge of the Taylor River is popular with campers because of the extensive gravel bars. Although most of the areas where people camp are outside the area of the Community Forest, there may be some opportunity to develop a camping area as it is very close to two spectacular hiking trails. In addition, much of the area along the Taylor River is in riparian reserve zones and therefore not part of the working forest. This river is also popular with outdoor groups for fishing, and water sports such as canoeing, and tubing. The current riparian reserve buffers should be sufficient to maintain the streamside ambience for these activities.

Guide outfitting is an alternative licenced recreation business that shares the AVCF land base. Guide outfitters require road or ATV access to hunting areas to maintain their businesses.

13.3.4.2 Objectives:

Industrial activities will coexist and complement recreational opportunities within the community forest.

13.3.4.3 Strategies to Meet Objectives:

-  Negotiate with trail users to find win-win solutions where conflicts may occur.
-  Work with the ACRD trails committee and local trail user groups to maintain, enhance, and possibly improve trail systems including preparing and maintaining directional and informational signage and parking areas at trailheads.

- 🌲 Consider trail relocation when they conflict with harvesting operations.
- 🌲 Where trails run through a cutblock consider trail maintenance, improvement, or alteration to showcase forest practices or provide an interesting viewscape.
- 🌲 Provide interpretive signs on trails where appropriate to explain multiple forest use concept, harvesting techniques, and silviculture practices.
- 🌲 Work with regulatory agencies to relocate OGMAs to coincide with hiking trails and the “hanging valley” accessed by the Adder Trail.
- 🌲 Maintain setting of backcountry recreation experience.
- 🌲 Keep an inventory of roads required for recreation access, and maintain these roads where practicable.
- 🌲 Fine tune recreation net-downs in the AAC calculation.
- 🌲 Where funding is available, maintain and improve road access to trailheads.
- 🌲 Explore opportunities for additional trails where they do not infringe on the working forest.
- 🌲 If funding and manpower can be obtained, assist in the preparation of a feasibility report on establishing a campground on the Taylor River.

13.3.5 *Cultural Heritage Objectives*

13.3.5.1 Background Information:

The AVCF is in the asserted traditional territories of the Hupacasath and Tseshahat First Nations. The Hupacasath territory encompasses the entire community forest; while the Tseshahat have asserted that a small area west of Klitsa creek is in their traditional territory (see map in Figure 6: *Hupacasath and Tseshahat asserted traditional territories*).

Aboriginal and non-aboriginal people cherish the community forest for peaceful enjoyment, beauty, evidence of ancestral use, and spirituality associated with tall trees and healthy plant communities.






The AVCF is fortunate to have First Nations interested and involved with their licence. Additionally the Hupacasath First Nation have completed a Land Use Plan that covers their Traditional Territory. This Land Use Plan clearly outlines the objectives and outcomes they wish to achieve in their Territory.

Although not specific to the AVCF, this 2003 Land Use Plan also outlines the First Nation’s concerns for sustainable management and their land use designations for the Sproat Lake and Taylor Special Management Zones.

13.3.5.2 Objectives:

The City and Community Forest Advisory Committee are committed to working proactively and in close cooperation with the Hupacasath and Tseshahat First Nations in order to make the Community Forest successful and to further the First Nation’s objectives.

13.3.5.3 Strategies to Meet Objectives:

-  The Hupacasath and Tseshah First Nations will both be provided permanent seats on the Board of Directors of the City's Alberni Valley Community Forest Corporation.
-  The AVCF Corporation will consult with the First Nations on a cutblock by cutblock basis concerning harvesting plans within their traditional territories with the intention of adhering to the overall cultural and forest management objectives contained in the Hupacasath First Nation Land Use Plan. The City recognizes and accepts that the Hupacasath First Nation's Land Use Plan requirements exceed those of the currently prevailing Forest and Range Practice Act and wishes to offset reductions of the Annual Allowable Cut due to this by increasing the Community Forest land base. In exchange for the City's recognition of the Hupacasath First Nation Land Use Plan the Hupacasath have committed to support future application by the City for a larger Community Forest land base.
-  The AVCF Corporation will provide access to the Community Forest land base to support the First Nations objective of creating jobs and economic opportunity via the harvesting of non-timber forest resources and ecotourism. Insofar as the Community Forest License allows, the AVCF Corporation will endorse harvesting of non-timber forest resources by members of the First Nations.
-  The AVCF Corporation will work closely with the First Nations to identify and protect archaeologically and spiritually significant areas within the Community Forest area.
-  Insofar as the Community Forest License allows, the AVCF Corporation will allow unlimited access to the Community Forest land base for First Nation members to exercise their aboriginal rights.

13.3.6 Wildlife Objectives

13.3.6.1 Background Information:

There is a large diversity of wildlife species that must be considered when managing for wildlife in the AVCF.

Although the government targets management of ungulates by reserving areas for Ungulate Winter Ranges (UWR), and manages Marbelled Murrelets (MAMU) with set asides, most management occurs by setting aside large patches of old growth (OGMAs), reserving riparian areas, or setting aside a percentage of areas within or adjacent to cutblock for wildlife tree retention areas. Large "wolf" trees are also often reserved as they have a higher wildlife value than wood value. Among the large diversity of species found, the following tables list red and blue listed species and habitat needs for species that may be found in the AVCF tenure⁴.

⁴ Sustainable Resource Management Plan Biodiversity Chapter for Sproat Lake Landscape Unit, June 2005

Table 5: Red- and Blue-listed Species and Comments (Bunnell et al. 1998).

Scientific Name	English Name	BC Status	Comments
<i>Botaurus lentiginosus</i>	American Bittern	BLUE	Widely spread; status unknown; population elsewhere subject to habitat loss by draining, agriculture and urbanization.
<i>Columba fasciata</i>	Band-tailed Pigeon	BLUE	
<i>Tyto alba</i>	Barn Owl	BLUE	Moved north into BC as land cleared in early 1900s, first confirmed breeding 1941; largely restricted to extreme sw; vulnerable to urbanization, demise of old wooden structures; shift from cereal/hay crops to "bare ground" crops (soft fruits) has eliminated prey habitat. Currently about 150 to 275 pairs but will likely continue to decline.
<i>Epitheca canis</i>	Beaverpond Baskettail	BLUE	(Dragon Fly)
<i>Aeshna tuberculifera</i>	Black-tipped Darner	BLUE	(Dragon Fly)
<i>Pachydiplax longipennis</i>	Blue Dasher	BLUE	(Dragonfly)
<i>Icaricia icarioides blackmorei</i>	Boisduval's Blue, <i>blackmorei</i> subspecies	BLUE	(Butterfly)
<i>Phalacrocorax penicillatus</i>	Brandt's Cormorant	RED	West coast of Vancouver Island; numbers fluctuate greatly from year to year and colonies shift; decreased from a high of about 150 pairs (1970) to 95 pairs in 1982.
<i>Branta canadensis occidentalis</i>	Canada Goose, <i>occidentalis</i> subspecies	BLUE	
<i>Ptychoramphus aleuticus</i>	Cassin's Auklet	BLUE	65 colonies estimated at 2.7 million birds (80% of global population); some colonies abandoned due to mammalian depredation, other threatened. Disperse widely at seas so less vulnerable to oil spills.
<i>Hesperia colorado oregonia</i>	Common Branded Skipper, <i>oregonia</i> subspecies	BLUE	(Butterfly)
<i>Uria aalge</i>	Common Murre	RED	
<i>Coenonympha californica insulana</i>	Common Ringlet, <i>insulana</i> subspecies	RED	(Butterfly)
<i>Sorex palustris brooksi</i>	Common Water Shrew, <i>brooksi</i> subspecies	RED	
<i>Cercyonis pegala incana</i>	Common Woodnymph, <i>incana</i> subspecies	BLUE	
<i>Lampetra macrostoma</i>	Cowichan Lake Lamprey	RED	
<i>Oncorhynchus clarki clarki</i>	Cutthroat Trout, <i>clarki</i> subspecies	BLUE	
<i>Phalacrocorax auritus</i>	Double-crested Cormorant	RED	First report breeding in BC in 1927; gradually increasing (currently about 2,000 birds at >15 sites). Assumed at risk to colony disturbance and oil spills.
<i>Euphyes vestris</i>	Dun Skipper	BLUE	(Butterfly)
<i>Euphydryas editha taylori</i>	Edith's Checkerspot, <i>taylori</i> subspecies	RED	(Butterfly)
<i>Mustela erminea anguinae</i>	Ermine, <i>anguinae</i> subspecies	BLUE	Known from Vancouver, Saltspring, and North Pender Island; population status unknown.
<i>Pituophis catenifer catenifer</i>	Gopher Snake, <i>catenifer</i> subspecies	RED	2 records (Galiano Island & near Sumas); population in adjacent Washington is considered declining.
<i>Oeneis nevadensis</i>	Great Arctic	BLUE	(Butterfly)
<i>Ardea herodias fannini</i>	Great Blue Heron, <i>fannini</i> subspecies	BLUE	Widely spread; likely 4 to 5,000 breeding birds; disturbance at nest sites, environmental contamination, urbanization and industrialization.
<i>Butorides virescens</i>	Green Heron	BLUE	

Scientific Name	English Name	BC Status	Comments
<i>Plebejus saepiolus insulanus</i>	Greenish Blue, <i>insulanus</i> subspecies	RED	(Butterfly)
<i>Loranthomitoura johnsoni</i>	Johnson's Hairstreak	RED	(Butterfly)
<i>Myotis keenii</i>	Keen's Long-eared Myotis	RED	Coastal BC, not easily distinguished from other long-eared myotis species; population status and habitat requirements unknown; some believe it requires old growth ¹¹ .
<i>Euchloe ausonides</i> ssp. ⁵	Large Marble, undescribed island subspecies	RED	(Butterfly)
<i>Melanerpes lewis</i>	Lewis's Woodpecker	BLUE	Widely spread but sparsely distributed through southern interior (700 to 1200 pairs); extirpated from extreme SW ¹² . Requires large trees (deciduous of PP favoured) for nesting and open areas for foraging. Declining generally over its range due to urbanization, fire suppression, snag cutting, forest practices (salvage logging), and perhaps European starlings competing for nest sites.
<i>Melanerpes lewis</i> pop. ⁶	Lewis's Woodpecker (Georgia Depression population)	RED	
<i>Brachyramphus marmoratus</i>	Marbled Murrelet	RED	Widely spread but sparsely distributed over much of BC coast; total population estimated at 45,000 birds. Nests primarily in older or larger trees but may use scrubby forested swamps.
<i>Incisalia mossii mossii</i>	Moss' Elfin, <i>mossii</i> subspecies	BLUE	(Butterfly)
<i>Accipiter gentilis laingi</i>	Northern Goshawk, <i>laingi</i> subspecies	RED	Taxon restricted to Vancouver Island and QCI. On coast tends to nest in dense, mature coniferous forest. Unclear why it is listed; could be because tends to use larger, broken topped trees (or because US lists it).
<i>Glaucidium gnoma swarthi</i>	Northern Pygmy-Owl, <i>swarthi</i> subspecies	BLUE	Dubious subspecies on Vancouver Island; two other subspecies scattered through the province; the few nests found in woodpecker cavities were in conifers.
<i>Chrysemys picta</i>	Painted Turtle	BLUE	Southern interior; collection for pet trade; habitat loss to lakeshore development and urbanization. Coastal population believed to be introduced.
<i>Falco peregrinus anatum</i>	Peregrine Falcon, <i>anatum</i> subspecies	RED	Taxon of the southern third and possible NE of province (latter could be <i>F.p. tundrius</i>); less common in BC than <i>F.p. pealei</i> . 93% of BC nests on cliffs (n=305); possibly red-listed because the species is designated Endangered in the US. Vulnerable to disturbance and poaching.
<i>Falco peregrinus pealei</i>	Peregrine Falcon, <i>pealei</i> subspecies	BLUE	Taxon on QCI; population appears small but stable (50 to 75 pairs)
<i>Pinicola enucleator carlottae</i>	Pine Grosbeak, <i>carlottae</i> subspecies	BLUE	Status of this taxon unknown; species widely spread, but sparsely distributed in coastal BC; prefers higher elevations thus less threatened by forest practices.
<i>Erynnis propertius</i>	Propertius Duskywing	BLUE	(Butterfly)
<i>Progne subis</i>	Purple Martin	RED	Extirpated from Fraser Valley; population of about 50 pairs now restricted to 4 sites on SE Vancouver Island through nest boxes; habitat loss to urbanization and fire suppression.
<i>Rana aurora</i>	Red-legged Frog	BLUE	
<i>Cervus elaphus roosevelti</i>	Roosevelt Elk	BLUE	In BC, about 2,500 animals on Vancouver Island; mainland

⁵ The best studied population inhabits a thermally heated cave periodically on Hot Spring Island inundated by seawater; this is assumed atypical.

⁶ From 1920 to 1940 was an abundant nesting species around Vancouver, North Vancouver and SE Vancouver Island where logging and fire had left an abundance of tall snags and vets. Cutting snags for firewood and safety, coupled with loss of Gary oak, and increasing numbers of starlings all helped eliminate it.

Scientific Name	English Name	BC Status	Comments
			populations extirpated through hunting, but reintroduction being attempted; primary threat is legal and illegal hunting.
<i>Contia tenuis</i>	Sharp-tailed Snake	RED	Southern Vancouver Island & Gulf Island; n = 12 records; impacted by urbanization and possibly forest practices.
<i>Asio flammeus</i>	Short-eared Owl	BLUE	Status unknown, but widely spread, generally sparse, locally abundant. Lower Fraser Valley populations particularly hard hit; hundreds were killed to reduce probability of airplane strikes but major factor is loss of old-field habitat to development and changing agricultural practices.
<i>Corynorhinus townsendii</i>	Townsend's Big-eared Bat	BLUE	Population status unknown but species believed uncommon in sw portion of province; <10 hibernating sites found; vulnerable to disturbance at those sites. Overwinters in caves or mine shafts. One colony cave known on coast (Thetis Island).
<i>Marmota vancouverensis</i>	Vancouver Island Marmot	RED	Entire population restricted to Vancouver Island; possibly vulnerable to forest practices during dispersal (through clearcuts); marginally compatible with ski runs.
<i>Poecetes gramineus affinis</i>	Vesper Sparrow, <i>affinis</i> subspecies	RED	Status of taxon uncertain; appears to be restricted to Cobble Hill and Cassidy on SE Vancouver Island; listed as "sensitive" in Oregon, the species generally appears to favour disturbed sites so may benefit from grazing provided weedy growth (for foraging) left near fence lines.
<i>Sialia mexicana</i> pop. 1	Western Bluebird (Georgia Depression population)	RED	
<i>Sturnella neglecta</i> pop. 1	Western Meadowlark (Georgia Depression population)	RED	
<i>Erythemis collocata</i>	Western Pondhawk	BLUE	
<i>Otus kennicottii kennicottii</i>	Western Screech-Owl, <i>kennicottii</i> subspecies	BLUE	Screech owl taxonomy is a mess (18 subspecies considered), unclear if this is a separate subspecies; widely but sparsely distributed in lowland forests of extreme sw; vulnerable to urbanization and forest practices.
<i>Colias occidentalis</i>	Western Sulphur	BLUE	
<i>Lagopus leucurus saxatilis</i>	White-tailed Ptarmigan, <i>saxatilis</i> subspecies	BLUE	Apparently listed because considered sparsely distributed. Subspecific status of this Vancouver Island race based on 11 specimens of immature birds; taxonomic status is unclear.
<i>Gulo gulo vancouverensis</i>	Wolverine, <i>vancouverensis</i> subspecies	RED	Taxon restricted to Vancouver Island; population status unknown, possibly less than 100 animals.
<i>Coccyzus americanus</i>	Yellow-billed cuckoo	RED	Once present in extreme SW BC. Extirpated, 1 sighting near Victoria since 1927. Declining throughout its range due to loss of appropriate riparian cover through urbanization, agriculture, drainage, grazing, and protection from spring flooding.
<i>Sympetrum vicinum</i>	Yellow-legged Meadowhawk	BLUE	
<i>Speyeria zerene bremnerii</i>	Zerene Fritillary, <i>bremnerii</i> subspecies	BLUE	

Table 6: Habitat Needs for Listed Native Terrestrial forest-dwelling vertebrates potentially breeding in the community forest tenure (Bunnell et al. 1998)

Common Name ¹	CDF	CWH	MH	Neo ¹³	Shr ¹⁴	SS1 ¹⁵	SS2	SS3	SS4	SS5	SS6	Cav ¹⁶	DW	Dec ¹⁷	Con	R ¹⁸	Edg ¹⁹
Order Anura																	
Red-legged Frog	X	X	X					L	M	H	H					Y	
REPTILES																	
Order Testudines																	
Painted Turtle	X	X				H	H	L	L	L	M					Y	
Order Squamata																	
Gopher Snake	X					H	H	M	M	L	L		Y			Y	?
Sharptail Snake	X					M	M	H	H	M	M		Y	Y		Y	?
BIRDS																	
Order Ciconiiformes																	
Great Blue Heron	X	X							L	M	H			?	?	Y	?
Order Falconiformes																	
Northern Goshawk	X	X		Y					M	H	H				Y	Y	?
Peregrine Falcon																	
<i>Falco peregrinus anatum</i>				Y		L	L	L	L	L	L					Y	
<i>Falco peregrinus pealei</i>																	
Order Galliformes																	

¹³ "Y" indicates species is a neotropical migrant; Carter and Barker (1993).

¹⁴ Shrub nester, "H" indicates high requirement of shrubs for nesting; "M" indicates medium requirement of shrubs for nesting Ehrlich *et al.* (1988); Campbell *et al.* (1990, 1997).

¹⁵ SS indicates seral stage

¹⁶ Cav indicates cavity use; and DW indicates down wood use for reproduction and/or feeding.

¹⁷ Strong associated with deciduous (Dec = Y) or coniferous (Con = Y).






¹⁸ R represents riparian association. "Y" indicates habitat association. "?" indicates that habitat association is unknown or not strongly represented.

¹⁹ Edg indicates use of edge environments. "S" indicates that the species is sensitive to changes in a given habitat component in a positive or negative direction depending on sign and absent from a portion of the gradient; "R" indicates the species is responsive to the gradient and may be present in all portions of the gradient.

13.3.6.2 Objectives:

Maintain forest structures and forest function to ensure habitat potential exists for a large variety of wildlife species.

13.3.6.3 Strategies to Meet Objectives:

-  Respect provincially designated Wildlife Habitat Areas (WHAs), OGMAs, UWRs, and MAMUs.
-  Reserve at a minimum the legislated level of retention in each cutblock for Wildlife Tree Retention Areas (WTRA) to maintain stand level structural diversity as per the requirements of the Order to Establish a LU and Objectives, Sproat Lake LU.
-  Maintain functioning riparian areas including streams, lakes and wetlands.
-  Maintain visual cover for ungulates where appropriate.
-  Buffer and protect active or recently used bear dens where they are located during cutblock layout.

- Creation of old growth characteristics and wildlife habitats in areas where the required diversity is lacking (mainly areas of similarly aged second growth stands) will be considered where funding for this type of forest enhancement activity can be obtained.

13.3.7 *Botanical Forest Products Objectives*

13.3.7.1 Background Information:

Botanical Forest Products that are known to have recently been commercially harvested in Alberni Valley include the following:

Floral Evergreens:

Salal, Conifer Boughs, Huckleberry Branches, Sphagnum and Maple Tree Mosses, Willow Tips and Branches

Edibles:

Mushrooms: White and Yellow Chanterelles, Hedgehogs, Pine, Yellow Feet

Berries: Huckleberry, Blackberry, Salal, Salmon Berry

Other: Fiddleheads, Cascara Bark, Oregon Grape Roots

As with all natural resources, harvesting pressure is a concern for botanical forest products and may cause the extirpation of species from the Alberni Valley. Species known to have experienced these pressures include salal, moss, tree boughs, and wild berries.

As well, timber harvesting has been known to cause a loss of habitat for salal, moss, and mushrooms, reducing the quantity and quality available to the botanical forest products industry.

Although the AVCF would like to manage the non-timber forest resources in their tenure area, there is no legal mechanism to licence or control the harvesting of botanical forest products. Thus, the AVCF is limited in its ability to manage the people working with the resource. The community forest can control the effect of harvesting on the resource, where practical maintain road access to non-timber forest products areas, promote sustainable harvesting techniques through educational opportunities, and encourage botanical forest product businesses.

13.3.7.2 Objectives:

The AVCF will utilize adaptive resource management to meet stewardship responsibilities of non-timber forest resources in a manner that works towards integrating best practice silviculture management along with creating innovative best practice standards for the sustainable harvesting of non-timber forest products for the economic diversification of the Alberni Valley.

13.3.7.3 Strategies to Meet Objectives:

- Management of botanical products will be integrated with timber management and with other non-timber management objectives, such as trails, eco-tourism and cultural heritage resource access by First Nations.
- Seek funding to conduct relative abundance inventory assessments to determine what potential botanical species are within the community forest that are of sufficient abundance

- 🌲 to sustainably utilize for economic diversification goals that do not create adverse impacts on other non-timber values of the community forest.
- 🌲 Monitoring impacts of harvest levels, and data collection on yields (when possible) will be used to develop management regimes to insure sustainable abundance of forest botanicals.
- 🌲 Facilitate collaboration and partnerships to provide opportunity for non-timber forest resource demonstration projects, harvesting training, applied research opportunities for industry sector businesses and academic institutions, and public education.
- 🌲 Work towards developing appropriate management cost recovery revenue streams that could be generated from botanical product harvesting to provide for an economically sustainable management regime of non-timber forest products.

13.3.8 Visual Landscape Objectives

13.3.8.1 Background Information:

The area of the proposed community forest is widely enjoyed for its scenic beauty from both within and outside the area. Harvesting has been managed as per a Visual Landscape Inventory done for TFL 44 incorporated into the Government Actions Regulation Order which outlines visual forest areas and corridors. These areas include the Highway 4 scenic corridor, and the lower elevation areas of the Sproat and Taylor Operating areas.

Views of the AVCF can be enjoyed from boats on Sproat Lake, which is also designated as a scenic corridor, as well as from homes adjacent to the lake.

The rest area at the Taylor River - Highway 4 junction is very popular. Visitors linger here taking in the view of the mountains and the river. The visual impact of harvesting at this viewpoint is therefore of great concern to the community.

Just outside the boundary of the community forest, 1.5 km past the Taylor rest area, is an area used for bouldering. The bouldering area can be seen on the north side of the road as a tumble of very large boulders near where the Taylor Fire started. Bouldering is a type of rock climbing undertaken without a rope and normally limited to very short climbs so that a fall will not result in serious injury. Stopping points along the highway, such as this one, give the viewer an opportunity to enjoy the esthetics of the landscape of the community forest.

13.3.8.2 Objectives:

Mitigate the visual impact of harvesting and road building in scenic areas.

13.3.8.3 Strategies to Meet Objectives:

- 🌲 Plan cutblocks to meet the categories of alteration allowed in the Visual Landscape Inventory.
- 🌲 Incorporate visual design characteristics.
- 🌲 Minimize road density and widths.

13.3.9 Biodiversity Objectives

13.3.9.1 Background Information:

The Sproat LU⁷ has been assigned an Intermediate Biodiversity Emphasis Option (BEO) which means that, relative to other LUs on Vancouver Island, biodiversity planning should strive for a trade-off between biodiversity conservation and timber production.

There are many types of biodiversity in a forest including genetic diversity and species diversity within and between species. Biodiversity is measured at the landscape level, and on a forest stand by stand level.

Maintaining forest structure and function is the primary method used to maintain biodiversity.

13.3.9.2 Landscape Level Biodiversity





13.3.9.2.1 Background Information:

Forest structure can be maintained on the landscape level by preserving forests with a variety of ages and characteristics. The Sproat LU Plan has been completed and addresses the preservation of biodiversity by maintaining large area of old growth in the Taylor “Special Management Zone.” When creating the plan, preference was given to locating OGMAs within SMZ 17 (as opposed to other areas of the Sproat LU). Therefore, the percentage of OGMAs in the AVCF is currently 21% of the THLB. This is greater than the target retention requirements (\leq 13%) for biogeoclimatic zones in the AVCF and greater than the 15% of old growth in protected areas across the province.

13.3.9.2.2 Objectives:

Maintain forests with a variety of patch sizes, seral stages, and forest stand attributes and structures, across a variety of ecosystems and landscapes in a manner that is compatible with other forest values important to the community.

13.3.9.2.3 Strategies to Meet Objectives:

-  Ensure consistency with maximum cutblock size and adjacent stand green-up requirements under FRPA legislation.
-  Promote temporal diversity by increasing the forest composition in the absent 80-250 year age classes.
-  Work with the regulatory agencies to relocate OGMAs to better correspond with recreational areas and those that are difficult to access using conventional harvest methods.
-  If funding is available for landscape level planning, in biogeoclimatic zones where old growth is below the provincial requirement, identify areas of second growth with characteristics suitable for old growth recruitment.

⁷ See Appendix C, Section C.2, Sproat Lake Landscape Unit Plan, for a further description of the Sproat Landscape Unit Plan.

13.3.9.3 Stand Level Biodiversity





13.3.9.3.1 Background Information:

In a cutblock, standing retention of wildlife trees, WTRAs, and riparian areas provide structure such as standing and dead trees, rock outcrops, wet areas, and deciduous patches.

13.3.9.3.2 Objectives:

Retain structural variety in every cutblock through the preservation of wildlife trees and riparian areas.

13.3.9.3.3 Strategies to Meet Objectives:

-  Reserve at least the legislated minimum level of retention in each cutblock for WTRA to maintain stand level structural diversity as per the requirements of the Order to Establish a LU and Objectives, Sproat Lake LU.
-  WTRA characteristics will be as per the Order to Establish a LU and Objectives, Sproat Lake LU.
-  Plan cutblocks using the retention silviculture system and place a portion of reserve areas in Riparian Management Areas.
-  Where practicable, in second growth cutblocks with little diversity in species and structure, plan for the WTRA to be in an area with characteristics suitable for old growth recruitment (planning for second growth to take on characteristics of old growth forests).

13.3.9.4 Sensitive Ecosystems



13.3.9.4.1 Background Information:

The Sensitive Ecosystems Inventory (SEI) done for TFL 44 and covering the area of the community forest, systematically identifies and maps rare and fragile ecosystems. Maintenance of healthy and diverse ecosystems is the basis for continuation of all other forest uses, including industrial use. Rare and endangered ecosystems and species habitats are called “sensitive ecosystems”.

13.3.9.4.2 Objectives:

Where sensitive ecosystems are confirmed by ground truthing, formulate conservation plans to preserve components of sensitive ecosystems based on the relative rarity of the ecosystem type and the likelihood of occupancy by red and blue listed species.

13.3.9.4.3 Strategies to Meet Objectives:

-  Ground truth the SEI areas within cutblocks to determine if rare ecosystems or red or blue listed species occur in the area.
-  Plan harvesting to retain and protect components of rare and endangered ecosystems.

13.3.10 *Soil Conservation Objectives*









13.3.10.1 Background Information:

Productive soils are not only important for growing the next forest, mitigating soil disturbance reduces siltation into streams which affects water quality. Soils hold water and are necessary for conserving and filtering water resources.

13.3.10.2 Objectives:

Conserve the productivity and the hydrologic function of soils.

13.3.10.3 Strategies to Meet Objectives:

-  Conduct terrain stability assessments on potentially unstable and unstable terrain to avoid slope failure.
-  Mitigate the effects of ground-based equipment on areas of sensitive soils.
-  Use low ground pressure equipment.
-  Minimize access structures in both width and extent.
-  Develop and follow “Wet-weather shut down guidelines”.
-  Favour bucking and limbing timber in the stand rather than at roadside to maintain soil productivity.
-  When practical, disperse harvesting debris over the area rather than piling and burning.
-  Rehabilitate soils where legislated disturbance levels are exceeded.

13.3.11 *Educational Opportunities*


13.3.11.1 Background Information:

Forestry education increases public awareness of issues in forest management. It allows stakeholders to work with forest tenure holders and managers to make well-informed and balanced decisions taking all issues into account.



13.3.11.2 Objectives:

Provide forest education opportunities for local residents so as to increase awareness of the community forest and forest management activities.

13.3.11.3 Strategies to Meet Objectives:

-  Ensure the AVCF website is current with information on forest management activities within the community forest.

When volunteer assistance is available and funding can be obtained, the following strategies may be used:

-  Sponsor a tree growing contest with Grade 5's; the winning class gets a free forestry tour.
-  Provide public forestry tours during National Forest Week.

- 🌲 Sponsor a guest speaker, on a topical issue – i.e. log exports, value-added, non-timber forest products.
- 🌲 Participate in the Alberni District Fall Fair, National Forest week and other appropriate community events.
- 🌲 Post reforestation signs (e.g. harvest 2010, planted 2011) for harvested cutblocks.
- 🌲 Create a public information booth about sustainable harvesting of timber and non-timber forest products.

13.3.12 *Tourism Opportunities*

13.3.12.1 Background Information:

Over one million people from all over the world, predominantly tourists, drive the Highway 4 corridor annually. The visual quality of this corridor is very important to the enjoyment of this drive.

Promoting tourism in the community forest can benefit the community at large, bringing tourist dollars to the Alberni Valley.

13.3.12.2 Objectives:

To encourage the visual enjoyment and recreational use of the community forest by the traveling public.

13.3.12.3 Strategies to Meet Objectives:

- 🌲 Strategies to encourage tourist use of the community forest are the same as those noted in Sections 13.3.4.3 (Recreation Objectives) and 13.3.8.3 (Visual Landscape Objectives).
- 🌲 Provide small wood purchasing opportunities to the McLean Mill Historic Site.

13.4 Performance Measures

A table of performance measures on how the AVCF will measure realization of the above stated objectives. The business processes in this table are discussed in the next section.

13.4.1 Community Involvement					
Class / Indicator	Criteria	Source	Standard or Measurement	Mid-term Target	5-Year Target
Public Participation Objective	Community meetings to present local plans to potentially impacted stakeholders.	Application Sec. 7.3.3	Number of community meetings.	One meeting for every proposed plan.	1 public meeting year
Public Participation Objective	Regularly scheduled board meetings at a set location.	Business Plan 14.2.1.1	Number of public board meetings per year.	4 or more	4 or more
Public Participation Objective	Regularly scheduled Advisory Committee meetings at a set location.	Application Sec. 7.3.4	Number of public Advisory Committee meetings per year.	4 or more	4 or more
Public Participation Objective	Board Minutes posted to web site.	Application Sec. 7.3.2	Percent of posted meetings.	100% posted.	100% posted.
Public Participation Objective	Planning documents and maps posted to web site.	Application Sec. 7.3.2	Percent planning documents and maps posted to web site.	100% posted.	100% posted.
Public Participation Objective	Public comments and concerns addressed promptly.	Application Sec. 7.3.4	Response time to public comments.	Responses to web page submissions within 2 weeks.	Responses to web page submissions within 2 weeks.

13.4.2 Forest Management Processes					
Class / Indicator	Criteria	Source	Standard or Measurement	Midterm Target	5 Year Target
Timber Objective	Move towards continuous flow of wood.	Management Plan 13.3.1.2	Assess the AAC once public priorities have become apparent on an operational level.	N/A.	Complete new forest inventory and TSA which includes tested constraints.
Timber Objective	Move towards continuous flow of wood.	Management Plan 13.3.1.2	Money spent on incremental silviculture.	2% of net revenue.	5% of net revenue.
Timber Objective	Economically efficient operations.	Management Plan 13.3.1.2	Return on investment (ROI).	N/A.	ROI > 3%

13.4.2 Forest Management Processes

Class / Indicator	Criteria	Source	Standard or Measurement	Midterm Target	5 Year Target
Community Watershed Objectives and Fisheries and Riparian Objectives	Maintain water quality.	Management Plan 13.3.2.2 and 13.3.8.2	Water quality, quantity, and timing of flow are not impacted in either the short or long-terms by activities in the community forest.	No identified significant impacts.	No identified significant impacts.
Recreation Objectives	Industrial activities will coexist and complement recreational opportunities within the community forest	Management Plan 13.3.4.2	Positive communication with recreational users.	One meeting per year with trails committee.	One meeting per year with trails committee.
Recreation Objectives	Improved recreational facilities.	Management Plan 13.3.4.2	Investment in recreational infrastructure including planning and road maintenance to recreational trails.	0.5% of net revenue.	1% of net revenue.
Cultural Heritage Objectives	Direct inclusion of First Nations in decision making.	Management Plan 13.3.5.2	One member of Tseshah and one member of the Hupacasath First Nation on board of directors.	Two First Nations members on BofD.	Two First Nations members on BofD.
Wildlife Objectives	Maintain forest structures and function to ensure habitat potential exists for a large variety of wildlife species.	Management Plan 13.3.6.2	Percentage of forested area maintained in wildlife tree retention areas and/or net-downs to THLB.	≥ 37%	≥ 37%
Non-timber Forest Products Objectives	Sustainable harvesting of non-timber forest products.	Management Plan 13.3.7.2	Sponsor training of non-timber forest products users to understand principles of sustainable harvesting.	One course per year.	One course every second year.
Non-timber Forest Products Objectives	Economic diversification of the Alberni Valley into non-timber forest products.	Management Plan 13.3.7.2	AVCF access provided to non-timber forest products users.	Road maintenance done as required under FRPA and incrementally where practicable.	Road maintenance done as required under FRPA and incrementally where practicable.
Visual Landscape Objectives and Tourism Opportunities	Mitigate the visual impact of harvesting and road building in scenic areas and encourage the visual enjoyment and recreational use of the community forest by the traveling public.	Management Plan 13.3.8.2 and 13.3.12.2	Percent of cutblocks meeting the required Visual Quality Objective.	100% unless there are unforeseen circumstances such as windthrow.	100% unless there are unforeseen circumstances such as windthrow.

13.4.2 Forest Management Processes

Class / Indicator	Criteria	Source	Standard or Measurement	Midterm Target	5 Year Target
Biodiversity Objectives	Maintain forests with a variety of patch sizes, seral stages, and forest stand attributes and structures, across a variety of ecosystems and landscapes in a manner that is compatible with other forest values important to the community.	Management Plan 13.3.9.2.2	Use of partial cut or retention silviculture systems.	100% of conventionally harvested cutblocks.	100% of conventionally harvested cutblocks.
Biodiversity Objectives	Retain structural variety in cutblock through the preservation of wildlife trees and riparian areas.	Management Plan 13.3.9.3.1	Retention of wildlife tree retention areas (WTRA) and riparian management areas (RMA).	Percent of harvest area retained as WTRA over the landscape as outline in Sproat LU Plan Order. 5% of harvest area retained as RMA across cutblocks.	Percent of harvest area retained as WTRA over the landscape as outline in Sproat LU Plan Order. 5% of harvest area retained as RMA across cutblocks.
Biodiversity Objectives	Preserve components of sensitive ecosystems	Management Plan 13.3.9.4.2	Preservation of wildlife habitat features.	100% unless unforeseen circumstances such as windthrow.	100% unless unforeseen circumstances such as windthrow.
Soil Conservation Objectives	Conserve the productivity and the hydrologic function of soils.	Management Plan 13.3.10.2	Degradation of soils due to poor harvesting practices.	No identified significant impacts.	No identified significant impacts.
Soil Conservation Objectives	Conserve the productivity and the hydrologic function of soils.	Management Plan 13.3.10.2	Number of annual harvesting related landslides in the community forest.	0.	0.
Educational Opportunities	Provide forest education opportunities	Management Plan 13.3.11.2	Number of public education opportunities provided by the community forest.	One per year.	At least one every second year.

13.4.3 *Business Processes*

Class / Indicator	Criteria	Source	Standard or Measurement	Midterm Target	5 Year Target
Management Structure and Process	Board Structure.	Business Plan 14.2.1.1	Board members from the Hupacasath & Tseshaht First Nation, the City of Port Alberni, and at least two members with specific skills in finance, forestry or business and a member from the community.	4/6	5/6
Local Benefit	Local Opportunities.	Business Plan 14.4.2	Proportion of spending on contract personnel or contracts flowing to local workers (includes wages paid by harvesting and silviculture contractors, etc.).	>50%	>75%
Local Benefit	Sales to Local Manufacturers.	Business Plan 14.4.2	Proportion of log sales going to local manufacturers and small sawmills.	> 30%	> 40%
Local Benefit	Small Volume Sales to Local Operators.	Business Plan 14.3	Proportion of log sales sold in small packages (less than 3 truckloads, 105m3) to local operators.	> 1%	> 2%
Local Benefit	Profits to Community.	Business Plan 14.9	Funds that are surplus to operating capital requirements returned to community.	Yes, all funds.	Yes, all funds.
Finance	Market Flexibility.	Business Plan 14.4	Harvested Timber reflects the standing inventory of Old Growth and Second Growth.	50%	75%
Finance	Retirement of Debt.	Business Plan 14.9	Start up capital repaid in full.	< \$50000	\$0
Finance	Payments.	Business Plan 14.9	Invoices paid on time and in full (on time =30 days).	100%.	100%.

13.5 Management Plan Signatures

The Management Plan is signed and sealed by a Registered Professional Forester in accordance with the requirements of the Forester's Act and by persons authorized to sign on behalf of the licensee.

Cindy Hutchison, RPF

Ken McRae,
Mayor of Port Alberni

14.1 Disclosure Statement

The AVCF Corporation and the City of Port Alberni have thoroughly considered the financial risks involved with operating the proposed Community Forest.

The management plan implications have been factored into the Business Plan, and if the Business Plan is implemented, it will provide the applicant with a reasonable chance of operating a successful forest based business.

14.2 Management and Governance Structure

The City of Port Alberni intends to operate the community forest license under the sole direction of an arms length corporation. An existing corporation created in 1995 originally named the “Alberni Strategic Forest Alliance Corporation” has been transferred to the ownership of the City of Port Alberni and renamed “Alberni Valley Community Forest Corporation” to reflect the broader scope of the anticipated Community Forest. It is intended that this corporation serve as the vehicle for operation of the City’s community forest

The City’s solicitors are currently redrafting the Articles of this corporation to ensure that it will serve the intended purpose. They are also pursuing approval of the City’s ownership of this corporation from the Inspector of Municipalities as required by the Community Charter.

The corporation will operate at arms length from the City. Liabilities of the corporation will not be transferrable to the City.

14.2.1 Governance Structure

14.2.1.1 The Board of Directors

The board of directors is elected or appointed by the City of Port Alberni (the shareholder) to represent their interest by overseeing the management of the company’s business.

The Board of Directors for the Alberni Community Forest Corporation will be composed of seven voting members. Four members will be appointed by the City of Port Alberni council, one member will be appointed by Hupacasath First Nation, one member will be appointed by Tseshaht First Nation and one member will be appointed by the Regional Director from Sproat Lake. In addition there will be one non- voting liaison member from City Council appointed by the Mayor. All of the directors will serve until replaced by their respective appointers.

The board will strive to achieve decisions through consensus but will vote on resolutions where consensus is not achievable.

The board will report results to the City of Port Alberni at regularly scheduled council meetings.

The directors will be accessible to the public, so that Community Forest concerns may be brought to their attention if the issue has not been previously addressed by the manager

14.2.1.2 Advisory Committee

The Community Forest Advisory Committee managing the AVCF initiative, consists of 11 community members appointed by the City of Port Alberni. The members have backgrounds in business, forest management, and public service. The advisory board includes representation from the Hupacasath and Tseshah First Nations and the ACRD.

As the community forest moves from the proposal stage to becoming a licensee, it is anticipated that the Advisory Committee will continue to advise the members of the board of directors.

The Advisory Committee members are accessible and visible in the community, so that members of the public may bring forward concerns regarding the Community Forest Licence and business.

In time, the Advisory Committee may evolve to fulfill the community participation role required under different third party certification initiatives.

14.2.2 Business Management

The day to day operations of the community forest are anticipated to be managed under forestry and business management contracts. With an annual harvest rate anticipated to be less than 18,000m³, the Community Forest Licence will not likely support the services of a full time manager if it is to provide the most dividends to the community.

A forest manager or a managerial team with skills in all phases of forest management and operations will be retained under the direction of the board of directors. Demonstrated competencies in forest operations planning, operations and contract management, safety and environmental systems, silviculture, log marketing, business development, and stakeholder relationship building are desirable.

There are a number of individuals and firms within the Port Alberni area providing tenure management services to clients throughout British Columbia. The development of Forest and Range Agreements, new woodlots and new forest tenures throughout the province has created new opportunities for these types of professional businesses based in Port Alberni and nearby communities.

14.3 Products

The primary product that the AVCF will produce will be old growth and second growth logs to sell into the local domestic log market. Subsequent to the timber harvesting phase, there will be opportunities for some biomass and firewood sales from the woody debris produced by harvesting.

The proposed land base of the AVCF currently supports a variety of timber species and age classes, which allows opportunities to match the business to the requirements of the marketplace. As the old growth component of the licence area is harvested, the reliance of the AVCF on harvesting second growth Douglas Fir stands will increase.

Timber may be sold as a standing timber, or may be sold into a purchasing site like a dryland sort, or directly to the manufacturer. Sales of standing timber “on the stump” are not preferred, as that process would forego involvement in the logging phases and opportunities to ensure local participation in the work.

As a small scale producer of logs, the AVCF will be a “price taker” rather than a price setter. The major mills and log producers set the log prices based on their operations in the Vancouver Log Market, and the smaller operators are usually offered prices reflective of this market, minus transportation, holding, and selling costs.

Higher log values can be achieved by pursuing specialty markets for products such as Douglas Fir and Western Red Cedar poles and pilings, and extra long logs. Given the proximity to the provincial highway network, the AVCF has a better opportunity than some other licencees to move these products to market.

Each harvest area will have a specific marketing plan as each area has a different profile of timber. The timber may be sold by the management team, or a broker may be utilized to market the timber. Some types of timber are far easier to market than others. Infrequently occurring logs such as Yellow Cedar or large diameter pulp logs may require significant extra transportation costs before they can be sold to a customer.

Harvesting operations may be targeted for specific specialty products destined for local processing.

To ensure local access to the logs available for sale, a portion of the production is anticipated to be sold in small volume packages of one or two truck loads.

14.4 Industry / Market Analysis / Strategy

14.4.1 Industry

This application is being prepared as the coastal forest industry faces a crisis on many fronts.

The major tenure holders, land owners and the large unionized sawmills completed a three month strike in 2007. The Canadian dollar is trading at values equal to or in excess of the US dollar, making exports of lumber less attractive in the US market, and house construction in the US is in a slump. This has led to prices for some types of logs, such as second growth Douglas Fir, to drop significantly in the later part of 2007. Prices on many other species such as Western Red Cedar, Western Hemlock, and Amabilis Fir, have held, or decreased only slightly in early 2008, as the lack of supply has led to tight inventories.

With all the challenges in the forest industry, employees are leaving the industry to seek employment in other sectors of Canada’s booming economy. Skilled workers and new graduates of Forestry programs are moving straight to Alberta to get jobs in the oil fields. This is leading to capacity issues with contractors and licencees as they struggle to find employees.

14.4.2 Market Analysis

The AVCF may be commencing just as other independent log producers, such as First Nations with new tenures begin their harvest operations in the Port Alberni area. These

other new licencees, as well as the established licencees, will be producing logs that will compete in the market with those produced by the AVCF.











The local market has seen a decrease in timber available in the past few years due to a combination of events. The storms of 2006 and the resultant damage interrupted the flow of timber throughout the year, with many areas remaining inaccessible into the summer of 2007. The summer of 2007 did not see any fire season closures to speak of, but the Steelworker's strike interrupted the timber supply and provided just a short operating window before the seasonal closures for winter weather commenced.



The redistribution of timber rights from the crown lands that comprised the Sproat Lake Operation of TFL 44 has not yet been completed. The Ucluelet First Nation's first licences in the Nahmint have not yet commenced, and BC Timber Sales has not auctioned nearly as much timber as planned from the area.

All of these events have resulted in less timber being harvested on Crown land in the Port Alberni area in the last few years.

With surplus milling capacity on the coast of British Columbia, there is always a market for logs at the right price. The challenge for log producers however, is whether a profit can be made by selling those logs at that price at any specific time.

The operating area of the AVCF has some operational and marketing advantages as compared to many other community forests and tenures within British Columbia. These advantages include:

-  In the short term, the proposed operating area contains a variety of timber species and age classes so that if the market is poor for some timber, it may still be available for others.
-  The area has a mix of terrain types that will provide for a mix of timber harvest systems. This means that not all the harvesting is high cost helicopter, or cable yarding systems.
-  The proposed operating areas have few areas of high risk terrain or other forest values at high risk.
-  There is a skilled, competitive, consultant and logging contractor workforce available locally.
-  Much of the proposed operating area has existing road networks.
-  Few major road works are required to maintain the infrastructure.
-  Much of the area is close to public highways, lessening the road maintenance costs and providing opportunities to harvest in poorer winter conditions.
-  There are numerous markets for the timber. There are a variety of local sawmills, as well as timber consolidators available as potential customers.
-  The ease of access to the area, the timber types and the logging chance creates better than average financing opportunities. Less capital outlay and time is required before the timber can be converted into sales.
-  There are opportunities to direct haul and weigh scale some of the log sorts, reducing costs and log breakage.

-  Because the area was in a TFL, there is a significant amount of planning data available. This includes 1:5000 contour and forest cover mapping for most of the area, inventories such as sensitive soils, full five class, terrain mapping, and community watershed assessments.
-  There are a number of previously engineered cutblocks in the Taylor Operating Area that may be acquired from BC Timber Sales that may assist in jump starting the planning process.

The table below describes some of the potential local customers for logs produced by the AVCF and the types of logs that they may purchase.

Table 7: Potential Local Customers.

Potential Local Customers	Log Species and Types	Notes
Alberni Pacific Division, Port Alberni, WFP.	Large diameter Western Hemlock/ Balsam species sawlogs.	Possible to custom sort at Sproat or Coulson mill site.
Somass, Port Alberni, WFP.	Large diameter Western Red Cedar sawlogs.	Possible to custom sort at Sproat or Coulson mill site.
Coulson Manufacturing, Port Alberni	Western Hemlock/Balsam species and Western Red Cedar sawlogs, sometimes utility or large Western Hemlock/ Balsam species pulp.	Drysort at sawmill, haul sorted wood, or dewater boomed logs.
Franklin Forest Products (FFP), Port Alberni.	Douglas Fir and Western Red Cedar sawlogs, Western Red Cedar utility, other species as opportunity dictates.	Drysort at sawmill, haul sorted wood, or dewater boomed logs.
Western Forest Products, Port Alberni.	All species, purchase for other mills.	Custom sort at Sproat or Coulson.
Island Timberlands, Port Alberni.	All species.	Delivery to Sproat drysort.
Naagard Sawmill, Port Alberni.	Western Red Cedar.	Haul scaled wood to mill.
Coleman Road Shingle, Port Alberni.	Western Red Cedar shingle and utility shingle.	Haul scaled logs or blocks to mill.
Redwood Cedar Mill, Port Alberni.	Large diameter Western Red Cedar, some Fir sawlogs.	Direct haul and scale at mill site.
Local small mill sales.	Western Red Cedar some Douglas Fir.	Often require less than a logging truck load.
Probyn Log, Port Alberni.	All species.	Haul to Mud Bay, some custom sorting at FFP, bush sort for some direct haul.
Catalyst Paper, Port Alberni.	Small diameter Western Hemlock/ Balsam species, no large pulp.	Direct haul and weigh-scale, or previously scaled logs.
Coastland Wood Industries, Nanaimo.	Second growth Douglas Fir, large consumer of this type of log.	Direct haul and scale at mill site.
Long Hoh Enterprises, Errington.	Large diameter second growth Douglas Fir.	Direct haul and scale at mill site.
Chalwood Forest Products, Port Alberni.	Top quality Yellow Cedar.	Haul selected scaled logs to mill site.

Depending on the market conditions, the potential customers identified above may or may not be purchasing logs at any given time.

The April 30, 2007 review of the Port Alberni Forest Industry recommended that the Ministry of Forests and Range identify a location, and investigate the potential of establishing an “open drysort” in the Alberni Valley. If an “open sort” with storage areas is established, it would create additional opportunities for marketing timber from the AVCF to an even more diverse customer base.

14.4.3 *Strategy*

The Community Forest Licence Agreement will provide the legal rights to harvest a fixed volume of timber, based on an AAC over a five year period.

The limited size of the proposed community forest licence does not create a situation where there will be continuous operations on the land base throughout the year. An annual harvest is anticipated, with pre-harvest, post-harvest and road maintenance activities scheduled seasonally.

Depending on the market conditions for timber, and the logistics of a proposed harvest unit, more than one year's AAC may be harvested in one year. Increasing the harvest in one year however, will require a decrease in another year to balance the harvest levels on a five year basis.

The variety of timber types available within the community forest may still allow for some harvest opportunities when one or more species is doing poorly in the marketplace. For example, if second growth Douglas Fir is doing poorly in the market such as it is in January 2008, harvesting may be re-directed to forest types that contains old growth Western Red Cedar, Western Hemlock and Amabilis species, or into second growth Western Hemlock stands. The limited area of accessible old growth and the costs to harvest that timber limits this opportunity, but in some situations it may still be an option to operate. Some of these timber types may have a lower selling price, but a ready market. Prices for many of the old growth timber types have remained stable or decreased only slightly in the later months of 2007.

The AVCF will respond to these types of conditions by not initiating any harvest operations when the markets do not provide for profitable operations.

The small scale of the operation ensures that harvesting activities will occur over a short period of time, lessening the exposure to market downturns. Pre-selling the timber and managing the pre-harvest planning to keep prepaid expenses matched closely to the timing of log sales, will assist in limiting exposure to market downturns.

The AVCF intends to hold cash reserves equal to the cost of planning for one year's AAC building a kilometre of road, and planting the previous years harvested area. Retaining approximately \$225,000 in the business will allow for self financing of activities and provide the flexibility to manage the forest business.

14.5 *Potential Risks and Pitfalls*

The main business risks associated with the community forest are access to the timber resource, general liability issues, and financial risks. These risks and the opportunities to manage them are outlined below.

14.5.1 *Access to the Timber Resource*

The Sproat Operating Area of the AVCF is the local forest to many stakeholders, and is part of the catchment area for many surface water users in the Sproat Lake Community. The AVCF is seen by many as a good entity to manage these resources.

There is however, always the potential for land use conflicts to arise. The cost to the business of addressing land use conflict varies depending on the location of the area and the timing of the conflict in relation to harvest plans.

If a conflict occurs early in the planning stages, an area may be dropped or postponed. If the area is harvestable, it will have to be incorporated into the timber supply model, reducing the available timber. This is an opportunity cost rather than a cash cost.

If a land use conflict arises over a cutblock that is already laid out in the field, to an extent that it is not harvested, the cost of that lost layout may be substantial, as field layout is one of the largest cash outlays, with the longest time before the work is converted to sales.

A 10,000m³ laid out cutblock may be an investment of \$50,000 or more. The loss of that cutblock would be a significant burden to the AVCF business.

A proactive approach to resource use and relationship building will help to ensure that potential conflicts are mitigated in advance of financial investments so they do not impact the AVCF business.





A significant fire, forest disease outbreak or insect attack could adversely impact the timber available for the AVCF requiring a recalculation of the AAC. The AVCF would then have to seek additional areas to add to the licence or may have to accept a period with lower harvest levels.

The AVCF may also be affected by alienation of land to meet other government objectives. The Ministry of Forests and Range has consulted with the Hupacasath and Tseshaht First Nations and the AVCF has not yet been identified as a potential treaty settlement area.



14.5.2 *General Liabilities*

As a licensee, the AVCF will have to address a number of liability issues. These include third party liability, contravention of permits and environmental laws, fire, damage to adjacent land owners facilities or infrastructure, roads under permit, and silviculture liabilities. Strategies to ensure that liabilities are avoided, reduced, or managed are outlined below.


14.5.2.1 Third Party Liability

-  Ensure that AVCF carries suitable insurance coverage as a licensee.
-  Register to become a “Safe Certified Company” under the BC Forest Safety Council.
-  Ensure that contractors have WorkSafe BC Coverage and are Safe Certified Companies.
-  Ensure that all contractors are appropriately insured.






14.5.2.2 Contravention of Permits and Laws

-  Utilize a competent management team to ensure plans are viable and are followed.
-  Adopt portions of an existing licensee’s Environmental Management System (EMS). Alternatively, create a custom EMS for the AVCF to cover the activities that the business will be engaged in. An EMS system will help to ensure that plans are communicated and followed.

14.5.2.3 Fire



-  The community forest will ensure that their operations are consistent with the *Wildfire Act of BC* and will ensure that contractors carry suitable fire fighting insurance and that their operators and crew are trained as per the regulations.

14.5.2.4 Damage to adjacent land owner's facilities or infrastructure

-  Activities adjacent to the hydro lines that are within the area, will be in compliance with Work Safe BC regulations regarding limits of approach.
-  Highways access permits and signage will be in place for roads that connect with the public highways.
-  The operators of the new power project at Klitsa Creek will be engaged to ensure that operations in the area are compatible with the penstocks, and any new power lines that will be established.
-  Non-status roads and associated power lines on crown land that provide access to homes and cabins will have to be documented. Any operations by the AVCF will have to be undertaken so that this existing infrastructure isn't impacted.
-  Harvest areas adjacent to private land may require legal surveys to be completed. The use of checklists and quality maps will help prevent trespasses.



14.5.2.5 Roads under Permit

Once a road is under permit to the AVCF, any repairs or maintenance, including damage to a road during storm events such as those in 2006 and 2007, normally become the responsibility of the AVCF. Insurance may be available for damage to this infrastructure.

-  A regular inspection schedule will be developed so that any road issues do not build to the point where they become a significant cost.
-  Roads not required for long term timber, recreation, or other forest users access, will be de-activated and removed from the road permits.

14.5.2.6 Silviculture Liabilities

Silviculture obligations to ensure that harvested areas are reforested become the licensee's responsibility as soon as the first trees are felled in a cutblock.

-  The community forest must ensure that sufficient revenues are retained to address the ongoing silvicultural liabilities.
-  The community forest may opt to transfer the silviculture liabilities to a third party. Businesses with skill in silviculture and post-harvest management are available to take the liability upon payment of a fee sufficient to cover anticipated future costs. This method allows a licensee to keep their liabilities current and limits their exposure at a higher cost, than retaining the liability. If this occurs management directives aligned with community objectives will have to be outlined in the contract.

14.5.3 Financial Risks

As described above in Section 14.4.2, there are numerous markets for the timber that can be produced from the lands proposed for the AVCF. If the overall market conditions are such that timber cannot be profitably harvested, the community is best served by deferring harvest until log prices pick up again.

There are a number of stages in the harvest cycle where the financial risk is higher than at other times. Once a cutblock is laid out in the field, the AVCF has to carry that cost until the timber is harvested and sold. The management team has to ensure that the timelines from layout to harvest are tightly managed, and that cutblocks that are not profitable or cannot be harvested due to land use conflicts, are not laid out.

The time when the financial risk is greatest is when roads are being built. The capital outlay for roads is significant. If they are built and the market falls to a point where the harvest will be deferred, it's possible that the timber value may not cover the cost of construction. This situation may be lessened by ensuring that the pro-forma for a cutblock allows for a price decrease, or by pre-selling the timber to lock in the price. If road building is kept as current with harvest as safety allows, this will decrease the exposure to falling log markets.

Perhaps the greatest single financial risk to the business is a change to the stumpage system. If the Government of British Columbia changes the stumpage system by revising the stumpage rate schedule, or calculation methodology, it will have significant implications for the AVCF. The AVCF will remain active in the BC Community Forest Association so that anticipated changes to the stumpage system, and the impacts on community forests are considered.

If changes to the stumpage system occur, the timing of activities, and the make up of cutting permits will be revisited, to ensure that the proposed operations are still viable.

Financial risk will be minimized by establishing financial controls, strong operational and harvest planning, and well developed contractual relationships.



Each cutblock will be analyzed as the planning is undertaken. Commencement of harvesting work will not be approved unless a cutblock or series of cutblocks is expected to be profitable.

14.6 Implementation Plan

The funds required to analyze the community forest opportunity, and prepare the licence application have been provided by the City of Port Alberni as a shareholder loan. These funds will be paid back in the first three years of the Community Forest's operation.

Once the licence is awarded, additional funds to complete a Forest Stewardship Plan, pay the first year's AAC rental, and layout the first cutblocks will be required.

This additional operating capital may be acquired as additional shareholder loans, or may be acquired from the sources used by other small licencees which include:

-  Log brokers provide operating capital loans in return for the commission rights to sell the timber. The fees for this are usually prime rate plus 2%, and \$3 per m³ to sell the wood.
-  Contract with a larger customer for advances against the purchase price of the logs.

- Forming a limited partnership with a broker, investor or customer to develop a specific timber volume or area.

It is anticipated that the first cutblock harvested in the community forest will be a second growth cutblock with previously established roads, so that the engineering and road building costs are lessened.

Once the community forest is operating, the AVCF intends to hold cash reserves equal to the cost of planning for one year's AAC, building a kilometer of road, and planting the previous years harvested area. Retaining approximately \$225,000 in the business will allow for self financing of activities, and provide the flexibility to manage the forest business.

Table 8: *Proposed Timeline of Events*. outlines the anticipated timeline for development of the Community Forest Licence.

Table 8: Proposed Timeline of Events.

Activity	Estimated Time Period
2007	
AVCF proposal developed.	Fall 2007
2008	
AVCF application and Management Plan submitted to the Ministry of Forests and Range.	September 2008
2009	
Deletion of land base from TFL 44.	January 2009
Review by Ministry of Forests and Range. If satisfied with the proposal the Ministry recommends that the Minister direct the government to negotiate and enter into the Community Forest Licence Agreement.	February 2009
Licence developed (includes Exhibit As)	Spring 2009
Tenure Awarded.	May 2009
Forest Stewardship Plan prepared and submitted.	Summer 2009
Forest Stewardship Plan approved.	Fall 2009
Road Permits and Cutting Permits prepared and approved.	Fall 2009 / Spring 2010

14.7 Human Resources

With an annual harvest rate of approximately 18,000m³, it is not anticipated that the AVCF will be able to support the services of any full time employees.

As described in the Management and Governance section, a forest manager or a managerial team will be retained on a contractual basis to manage the licence. There are a number of individuals or organizations within the Port Alberni area that have the skill sets to manage a small working forest as part of their business operations.

The operational work in the AVCF will be tendered through local advertising or invited tenders. There is an active contractor community in Port Alberni comprised of both union and non-union companies, and individuals who would be interested in working in this area.

The accounting function for the AVCF will be tendered out and is expected to be undertaken by one of the local accounting firms that works with clients in the forest industry.

The AVCF website will be kept up to date so that stakeholders have a ready connection to what is going on in the Community Forest. This work is done by a Port Alberni based computer consultant.

There are numerous individuals that have used the public review opportunity to identify their desire to work on projects within the forest. The involvement of volunteers will be promoted and welcomed as the community forest becomes established. There will be roles for both paid and volunteer work within the community forest.

14.8 Future Plans

The goal for the first five years is to demonstrate that the AVCF Corporation is a suitable steward to manage the licence in the long term.

Demonstrating stewardship includes maintaining and developing community support, being financially viable, and practicing good forestry.







The medium and long term goal of the AVCF will be to acquire additional crown land areas to improve the economic outlook for the Community Forest by reducing overhead costs and provide increased benefits to the community.

The Community Forest will work with other businesses, groups and the government ministries that are working to follow-up on the recommendations of the “Review of the Port Alberni Forest Industry.”

14.9 Projected Financial Statement Summary

The projected financial statements and the basic financial and cost assumptions for the community forest are shown in Appendix I, *Projected Financial Statements and Basic Financial and Cost Assumptions*. The appendix includes the projected harvesting plan, the projected income statement, the cash flow forecast and the balance sheet forecast.

The projected financial statements illustrate the following:

-  Projected sales volume of 17,500m³ annually, from a variety of second growth and old growth cutblocks.
-  Approximately \$76,000 per year in stumpage payable to the province.
-  Anticipated annual revenues of approximately \$1.9 million.
-  The shareholder loan financing the startup of the licence will be repaid by the end of the 3rd year of operations.
-  Activities on the licence will be done under management and operational contracts
-  Net income is anticipated to be \$82,000 year.

Appendix A Agreement Holder Legal Entity Information



BRITISH
COLUMBIA
The Best Place on Earth

Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-8626

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

RON TOWNSHEND
April 24, 2008

This Notice of Articles was issued by the Registrar on: April 24, 2008 08:42 AM Pacific Time

Incorporation Number: **BC0505364**

Recognition Date: Incorporated on October 3, 1995

NOTICE OF ARTICLES

Name of Company:

ALBERNI VALLEY COMMUNITY FOREST
CORPORATION

REGISTERED OFFICE INFORMATION

Mailing Address:

4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Delivery Address:

4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Delivery Address:

4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

BC0505364 Page: 1 of 2

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
McLEMAN, JACK

Mailing Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Delivery Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Last Name, First Name, Middle Name:
WATSON, KEN

Mailing Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Delivery Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Last Name, First Name, Middle Name:
SWANN, GARY

Mailing Address:
4361 BATTY ROAD
PORT ALBERNI BC V9Y 8T7
CANADA

Delivery Address:
4361 BATTY ROAD
PORT ALBERNI BC V9Y 8T7
CANADA

Last Name, First Name, Middle Name:
McRAE, KEN

Mailing Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

Delivery Address:
4850 ARGYLE STREET
PORT ALBERNI BC V9Y 1V8
CANADA

PRE-EXISTING COMPANY PROVISIONS

The Pre-existing Company Provisions apply to this company.

AUTHORIZED SHARE STRUCTURE

1.	50,000	A COMMON Shares	With a Par Value of 1.00 Canadian Dollar(s) each
			Without Special Rights or Restrictions attached



Number: BC0505364

CERTIFICATE OF CHANGE OF NAME

BUSINESS CORPORATIONS ACT

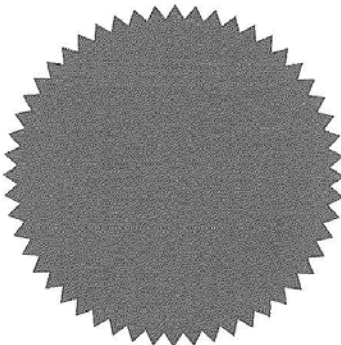
I Hereby Certify that ALBERNI STRATEGIC FOREST ALLIANCE CORPORATION changed its name to ALBERNI VALLEY COMMUNITY FOREST CORPORATION on April 24, 2008 at 08:42 AM Pacific Time.

Issued under my hand at Victoria, British Columbia

On April 24, 2008

RON TOWNSHEND

Registrar of Companies
Province of British Columbia
Canada



FORM 1

(Section 5)

COMPANY ACT

MEMORANDUM

OF

ALBERNI STRATEGIC FOREST ALLIANCE CORPORATION

I wish to be formed into a Company with limited liability under the Company Act in pursuance of this Memorandum.

1. The name of the Company is "Alberni Strategic Forest Alliance Corporation".
2. The authorized capital of the Company consists of 50,000 Class "A" Common Shares with a par value of \$1.00 each.
3. I agree to take the number of shares in the Company set opposite my name.

FULL NAME, RESIDENT ADDRESSE AND OCCUPATION OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY SUBSCRIBER
--	---

 Eric J. Mosley, Solicitor 5936 Saunders Road Port Alberni, BC V9Y 7L5	100 Class "A" Common
---	----------------------

TOTAL SHARES TAKEN	100 Class "A" Common
--------------------	----------------------

DATED the 15th day of September, A.D. 1995

WITNESS to the above signature:

NAME Carrie Donohoe
ADDRESS 3792-A North Morgan Cres.
CITY Port Alberni, B.C.
OCCUPATION Legal Secretary

OF

ALBERNI STRATEGIC FOREST ALLIANCE CORPORATION

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PROVINCE OF BRITISH COLUMBIA
COMPANY ACT
ARTICLES
of
ALBERNI STRATEGIC FOREST ALLIANCE CORPORATION
PART 1
INTERPRETATION

1.1. In these Articles, unless there is something in the subject or context inconsistent therewith:

"Board" and "the Directors" or "the directors" mean the Directors or sole Director of the Company for the time being.

"Company Act" means the Company Act of the Province of British Columbia as from time to time enacted, and all amendments thereto, and includes the regulations made pursuant thereto.

"seal" means the common seal of the Company.

"month" means calendar month.

"registered owner" or "registered holder" when used with respect to a share in the authorized capital of the Company means the person registered in the register of members in respect of such share.

Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of representing or reproducing words in a visible form.

Words importing the singular include the plural and vice versa; and words importing male persons include female persons and words importing persons shall include corporations.

1.2. The meaning of any words or phrases defined in the Company Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

1.3. The Rules of Construction contained in the Interpretation Act shall apply, mutatis mutandis, to the interpretation of these Articles.

PART 2

SHARES AND SHARE CERTIFICATES

2.1. Every member is entitled, without charge, to one certificate representing the share or shares of each class held by him; provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint registered holders or to his duly authorized agent shall be sufficient delivery to all and provided further that the Company shall not be bound to issue certificates representing redeemable shares, if such shares are to be redeemed within one month of the date on which they were allotted. Any share certificate may be sent through the mail by registered and prepaid mail to the member entitled thereto, and neither the Company nor any transfer agent shall be liable for any loss occasioned to the member owing to any such share certificate so sent being lost in the mail or stolen.

2.2 If a share certificate:

- (i) is worn out or defaced, the Directors shall, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and shall issue a new certificate in lieu thereof;
- (ii) is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Directors and upon such indemnity, if any, as the Directors deem adequate being given, a new share certificate in lieu thereof shall be issued to the person entitled to such lost, stolen or destroyed certificate; or,
- (iii) represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

Such sum, not exceeding one dollar, as the Directors may from time to time fix, shall be paid to the Company for each certificate to be issued under this Article.

2.3. Every share certificate shall be signed manually by at least one officer or Director of the company, or by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a certificate so signed is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such certificate to hold at the date of the issue of a share certificate.

2.4. Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as by law, statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered holder.

PART 3

ISSUE OF SHARES

3.1. Subject to Article 3.2. and to any direction to the contrary contained in a resolution passed at a general meeting authorizing any increase or alteration of capital, the shares shall be under the control of the Directors who may, subject to the rights of the holders of the shares of the Company for the time being issued, issue, allot, sell or otherwise dispose of, and/or grant options on or otherwise deal in, shares authorized but not outstanding at such times, to such persons (including directors), in such manner, upon such terms and conditions, and at such price or for such consideration, as they, in their absolute discretion, may determine.

3.2. If the Company is, or becomes, a company which is not a reporting company and the Directors are required by the Company Act before allotting any shares to offer them pro rata to the members, the Directors shall, before allotting any shares, comply with the applicable provisions of the Company Act.

3.3. Subject to the provisions of the Company Act, the Company, or the Directors on behalf of the Company, may pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, provided that, if the Company is not a specially limited company, the rate of the commission and discount shall not in the aggregate exceed 25 per centum of the amount of the subscription price of such shares.

3.4. No share may be issued until it is fully paid and the Company shall have received the full consideration therefore in cash, property or past services actually performed for the Company. The value of property or services for the purpose of this Article shall be the value determined by the Directors by resolution to be, in all circumstances of the transaction, the fair market value thereof.

PART 4

SHARE REGISTERS

4.1. The Company shall keep or cause to be kept a register of members, a register of transfers and a register of allotments within British Columbia, all as required by the Company Act, and may combine one or more of such registers. If the Company's capital shall consist of more than one class of shares, a separate register of members, register of transfers and register of allotments may be kept in respect of each class of shares. The Directors on behalf of the Company may appoint a trust company to keep the register of members, register of transfers and register of allotments or, if there is more than one class of shares, the Directors may appoint a trust company, which need not be the same trust company, to keep the register of members, the register of transfers and the register of allotments for each class of share. The Directors on behalf of the Company may also appoint one or more trust companies, including the trust company which keeps the said registers of its shares or of a class thereof, as transfer agent for its shares or such class thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or such class thereof, as the case may be. The Directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2. Unless prohibited by the Company Act, the Company may keep or cause to be kept one or more branch registers of members at such place or places as the Directors may from time to time determine.

4.3. The Company shall not at any time close its register of members.

PART 5

TRANSFER AND TRANSMISSION OF SHARES

5.1. Subject to the provisions of the Memorandum and of these Articles that may be applicable, any member may transfer any of his shares by instrument in writing executed by or on behalf of such member and delivered to the Company or its transfer agent. The instrument of transfer of any share of the Company shall be in the form, if any, on the back of the Company's share certificates or in such form as the Directors may from time to time approve. Except to the extent that the Company Act may otherwise provide, the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members or a branch register of members in respect thereof.

5.2. The signature of the registered owner of any shares, or of his duly authorized attorney, upon an authorized instrument of transfer shall constitute a complete and sufficient authority to the Company, its directors, officers and agents to register, in the name of the transferee as named in the instrument of transfer, the number of shares specified therein or, if no number is specified, all the shares of the registered owner represented by share certificates deposited with the instrument of transfer. If no transferee is named in the instrument of transfer, the instrument of transfer shall constitute a complete and sufficient authority to the Company, its directors, officers and agents to register, in the name of the person in whose behalf any certificate for the shares to be transferred is deposited with the Company for the purpose of having the transfer registered, the number of shares specified in the instrument of transfer or, if no number is specified, all the shares represented by all share certificates deposited with the instrument of transfer.

5.3. Neither the Company nor any Director, officer or agent thereof shall be bound to inquire into the title of the person named in the form of transfer as transferee, or, if no person is named therein as transferee, of the person on whose behalf the certificate is deposited with the Company for the purpose of having the transfer registered or be liable to any claim by such registered owner or by any intermediate owner or holder of the certificate or of any of the shares represented thereby or any interest therein for registering the transfer, and the transfer, when registered, shall confer upon the person in whose name the shares have been registered a valid title to such shares.

5.4. Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company or at the office of its transfer agent or registrar for registration together with the share certificate for the shares to be transferred and such other evidence, if any, as the Directors or the transfer agent or registrar may require to prove the title of the transferor or his right to transfer the shares and the right of the transferee to have the transfer registered. All instruments of transfer where the transfer is registered shall be retained by the Company or its transfer agent or registrar and any instrument of transfer, where the transfer is not registered, shall be returned to the person depositing the same together with the share certificate which accompanied the same when tendered for registration.

5.5. There shall be paid to the Company in respect of the registration of any transfer such sum, if any, as the Directors may from time to time determine.

5.6. In the case of the death of a member, the survivor or survivors where the deceased was a joint registered holder, and the legal personal representative of the deceased where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Before recognizing any legal personal representative the Directors may require him to obtain a grant of probate or letters of administration in British Columbia.

5.7. Upon the death or bankruptcy of a member, his personal representative or trustee in bankruptcy, although not a member, shall have the same right, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt member if the documents required by the Company Act shall have been deposited at the Company's registered office.

5.8. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such documents and evidence being produced to the Company as the Company Act requires or who become entitled to a share as a result of an order of a Court of competent jurisdiction or a statute has the right either to be registered as a member in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

PART 6

ALTERATION OF CAPITAL

6.1. The Company may by ordinary resolution filed with the Registrar amend its Memorandum to increase the authorized capital of the Company by:

- (i) creating shares with par value or shares without par value, or both;
- (ii) increasing the number of shares with par value or shares without par value, or both; or,
- (iii) increasing the par value of a class of shares with par value, if no shares of that class are issued.

6.2. The Company may by special resolution alter its Memorandum to subdivide, consolidate, change from shares with par value to shares without par value, or from shares without par value to shares with par value, or change the designation of, all or any of its shares but only to such extent, in such manner and with such consents of members holding a class of shares which is the subject of or affected by such alteration, as the Company Act provides.

6.3. The Company may alter its Memorandum or these Articles:

- (i) by special resolution, to create, define and attach special rights or restrictions to any shares; and,
- (ii) by special resolution and by otherwise complying with any applicable provision of its Memorandum or these Articles, to vary or abrogate any special rights and restrictions attached to any shares

and in each case by filing a certified copy of such resolution with the Registrar but no right or special right attached to all members holding shares of each class whose right or special right is so prejudiced or interfered with consent thereto in writing, or unless a resolution consenting thereto is passed at a separate class meeting of the holders of the shares of each such class by a majority of three-fourths, or such greater majority as may be specified by the special rights attached to the class of shares, of the issued shares of such class.

6.4. Notwithstanding such consent in writing or such resolution, no such alteration shall be valid as to any part of the issued shares of any class unless the holders of the rest of the issued shares of such class either all consent thereto in writing or consent thereto by a resolution passed by the votes of members holding three-fourths of the rest of such shares.

6.5. If the Company is or becomes a reporting company, no resolution to create, vary or abrogate any special right of conversion attaching to any class of shares shall be submitted to any meeting of members unless, if so required by the Company Act, the British Columbia Securities Commission shall have consented to the resolution.

6.6. Unless these Articles otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable, to a class meeting of members holding a particular class of shares but the quorum at the class meeting shall be one person holding or representing by proxy one-third of the shares affected.

PART 7

PURCHASE AND REDEMPTION OF SHARES

7.1. Subject to the special rights and restrictions attached to any class of shares, the Company may, by a resolution of the Directors and in compliance with the Company Act, purchase any of its shares at the price and upon the terms specified in such resolution or redeem any class of its shares in accordance with the special rights and restrictions attaching thereto. No such purchase or redemption shall be made if the Company is insolvent at the time of the proposed purchase or redemption or if the proposed purchase or redemption would render the Company insolvent. Unless the shares are to be purchased through a stock exchange or the Company is purchasing the shares from dissenting members pursuant to the requirements of the Company Act, the Company shall make its offer to purchase pro rata to every member who holds shares of the class or kind, as the case may be, to be purchased.

7.2. If the Company proposes at its option to redeem some but not all of the shares of any class, the Directors may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.

7.3. Subject to the provisions of the Company Act, any shares purchased or redeemed by the Company may be sold or issued by it, but, while such shares are held by the Company, it shall not exercise any vote in respect of these shares and no dividend shall be paid thereon.

PART 8

BORROWING POWERS

8.1. The Directors may from time to time on behalf of the Company:

- (i) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit;
- (ii) issue bond, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person; and,

(iii) mortgage, charge, whether by way or specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets, of the Company (both present and future).

8.2. Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

8.3. The Company shall keep or cause to be kept within the Province of British Columbia in accordance with the Company Act a register of its debentures and a register of debentureholders, which registers may be combined, and, subject to the provisions of the Company Act, may keep or cause to be kept one or more branch registers of its debentureholders at such place or places as the Directors may from time to time determine and the Directors may by resolution, regulation or otherwise make such provisions as they think fit respecting the keeping of such branch registers.

8.4. Every bond, debenture or other debt obligation of the Company shall be signed manually by at least one Director or officer of the Company or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture or other debt obligation appointed by the Company or under any instrument under which the bond, debenture or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such bond, debenture or other debt obligation to hold at the date of the issue thereof.

8.5. The Company shall keep or cause to be kept a register of its indebtedness to every Director or officer of the Company or an associate of any of them in accordance with the provisions of the Company Act.

PART 9

GENERAL MEETINGS

9.1. Subject to any extensions of time permitted pursuant to the Company Act, the first annual general meeting of the Company shall be held within fifteen months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time (not being more than thirteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors.

9.2. If the Company is, or becomes, a company which is not a reporting company and all the members entitled to attend and vote at an annual general meeting consent in writing to all the business which is required or desired to be transacted at the meeting, the meeting need not be held.

9.3. All general meetings other than annual general meetings are herein referred to as and may be called extraordinary general meetings.

9.4. The Directors may, whenever they think fit, convene an extraordinary general meeting. An extraordinary general meeting, if requisitioned in accordance with the Company Act, shall be convened by the Directors or, if not convened by the Directors, may be convened by the Requisitionists as provided in the Company Act.

9.5. If the Company is or becomes a reporting company, advance notice of any general meeting at which Directors are to be elected shall be published in the manner required by the Company Act.

9.6. A notice convening a general meeting specifying the place, the day, and the hour of the meeting, and, in case of special business, the general nature of that business, shall be given as provided in the Company Act and in the manner hereinafter in these Articles mentioned, or in such other manner (if any) as may be prescribed by ordinary resolution, whether previous notice thereof has been given or not, to such persons as are entitled by law or under these Articles to receive such notice from the Company. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any member shall not invalidate the proceedings at that meeting.

9.7. All the members of the Company entitled to attend and vote at a general meeting may, by unanimous consent in writing given before, during or after the meeting, or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.

9.8. Except as otherwise provided by the Company Act, where any special business at a general meeting includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by members at the registered office or records office of the Company or at some other place in British Columbia designated in the notice during usual business hours up to the date of such general meeting.

PART 10

PROCEEDINGS AT GENERAL MEETINGS

10.1. All business shall be deemed special business which is transacted at:

- (i) an extraordinary general meeting other than the conduct of and voting at, such meeting; and,
- (ii) an annual general meeting, with the exception of the conduct of, and voting at, such meeting, the consideration of the financial statement and of the respective reports of the Directors and Auditor, fixing or changing the number of directors, approval of a motion to elect two or more directors by a single resolution, the election of Directors, the appointment of the Auditor, the fixing of the remuneration of the Auditor and such other business as by these Articles or the Company Act may be transacted at a general meeting without prior notice thereof being given to the members or any business which is brought under consideration by the report of the Directors.

10.2. No business, other than election of the chairman or the adjournment of the meeting, shall be transacted at any general meeting unless a quorum of members, entitled to attend and vote, is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.

10.3. Save as herein otherwise provided, a quorum shall be two persons present and being, or representing by proxy, members holding not less than one-twentieth of the shares which may be voted at the meeting. If there is only one member the quorum is one person present and being, or representing by proxy, such member. The Directors, the Secretary, or, in his absence, an Assistant Secretary, and the solicitor of the Company shall be entitled to attend any general meeting but no such person shall be counted in the quorum or be entitled to vote at the general meeting unless he shall be a member or proxyholder entitled to vote thereat.

10.4. If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a member or members entitled to attend and vote at the meeting shall be a quorum.

10.5. The Chairman of the Board, if any, or in his absence the President of the Company or in his absence a Vice-President of the Company, if any, shall be entitled to preside as chairman at every general meeting of the Company.

10.6. If at any general meeting neither the Chairman of the Board nor President nor a Vice-President is present within fifteen minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall choose some one of their number to be chairman or if all the Directors present decline to take the chair or shall fail to so choose or if no Director be present, the members present shall choose one of their number to be chairman.

10.7. The chairman may and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice, but not "advance notice", of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

10.8. No motion proposed at a general meeting need be seconded and the chairman may propose or second a motion.

10.9. Subject to the provisions of the Company Act, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is directed by the chairman or demanded by at least one member entitled to vote who is present in person or by proxy. The chairman shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the book of proceedings of the Company. A declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

10.10. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

10.11. No poll may be demanded on the election of a chairman. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken as soon as, in the opinion of the chairman, is reasonably convenient, but in no event later than seven days after the meeting and at such time and place and in such manner as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. A demand for a poll may be withdrawn. In any dispute as to the admission or rejection of a vote the decision of the chairman made in good faith shall be final and conclusive.

10.12. Every ballot cast upon a poll and every proxy appointing a proxyholder who casts a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the Company Act may provide.

10.13. On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

10.14. Unless the Company Act, the Memorandum or these Articles otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution.

PART 11

VOTES OF MEMBERS

11.1. Subject to any special voting rights or restrictions attached to any class of shares and the restriction on joint registered holders of shares, on a show of hands every member who is present in person and entitled to vote thereat shall have one vote and on a poll every member shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxyholder.

11.2. Any person who is not registered as a member but is entitled to vote at any general meeting in respect of a share, may vote the share in the same manner as if he were a member; but, unless the Directors have previously admitted his right to vote at that meeting in respect of the share, he shall satisfy the directors of his right to vote the share before the time for holding the meeting, or adjourned meeting, as the case may be, at which he proposes to vote.

11.3. Any corporation not being a subsidiary which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any general meeting or class meeting. The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company personally present, including, without limitation, the right, unless restricted by such resolution, to appoint a proxyholder to represent such corporation, and shall be counted for the purpose of forming a quorum if present at the meeting. Evidence of the appointment of any such representative may be sent to the Company by written instrument, telegram, telex or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a member may appoint a proxyholder.

11.4. In the case of joint registered holders of a share the vote of the senior who exercises a vote, whether in person or by proxyholder, shall be accepted to the exclusion of the votes of the other joint registered holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. Several legal personal representatives of a deceased member whose shares are registered in his sole name shall for the purpose of this Article be deemed joint registered holders.

11.5. A member of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, any vote, whether on a show of hands or on a poll, by his committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by that court, and any such committee, curator bonis, or other person may appoint a proxyholder.

11.6. A member holding more than one share in respect of which he is entitled to vote shall be entitled to appoint one or more (but not more than five) proxyholders to attend, act and vote for him on the same occasion. If such a member should appoint more than one proxyholder for the same occasion he shall specify the number of shares each proxyholder shall be entitled to vote. A member may also appoint one or more alternate proxyholders to act in the place and stead of an absent proxyholder.

11.7. A form of proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized officer or attorney. A proxyholder need not be a member of the Company if:

- (i) the Company is at the time a reporting company;
- (ii) the member appointing the proxyholder is a corporation;
- (iii) the Company shall have at the time only one member; or,
- (iv) the persons present in person or by proxy and entitled to vote at the meeting by resolution permit the proxyholder to attend and vote; for the purpose of such resolution the proxyholder shall be counted in the quorum but shall not be entitled to vote

and in all other cases a proxyholder must be a member.

11.8. A form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting in respect of which the person named in the instrument is appointed. In addition to any other method of depositing proxies provided for in these Articles, the Directors may from time to time by resolution make regulations relating to the depositing of proxies at any place or places and fixing the time or times for depositing the proxies not exceeding 48 hours (excluding Saturdays, Sundays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of members and providing for particulars of such proxies to be sent to the Company or any agent of the Company in writing or by letter, telegram, telex or any method of transmitting legibly recorded messages so as to arrive before the commencement of the meeting or adjourned meeting at the office of the Company or of any agent of the Company appointed for the purpose of receiving such particulars and providing that proxies so deposited may be acted upon as though the proxies themselves were deposited as required by this Part and votes given in accordance with such regulations shall be valid and shall be counted.

11.9. Unless the Company Act or any other statute or law which is applicable to the Company or to any class of its shares requires any other form of proxy, a proxy, whether for a specified meeting or otherwise, shall be in the form following, but may also be in any other form that the Directors or the chairman of the meeting shall approve:

(Name of Company)

The undersigned, being a member of the above named Company, hereby appoints

or

failing him

as proxyholder for the undersigned to attend, act and vote for and on behalf of the undersigned at the general meeting of the Company to be held on the _____ day of _____, and at any adjournment thereof.

Signed this _____ day of _____, 19 _____.

(Signature of member).

11.10. A vote given in accordance with the terms of a proxy is valid notwithstanding the previous death or incapacity of the member giving the proxy or the revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, incapacity, revocation or transfer shall have been received at the registered office of the company or by the chairman of the meeting or adjourned meeting for which the proxy was given before the vote is taken.

11.11. Every proxy may be revoked by an instrument in writing:

- (i) executed by the member giving the same or by his attorney authorized in writing or, where the member is a corporation, by a duly authorized officer or attorney of the corporation; and,
- (ii) delivered either at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the meeting on the day of the meeting or any adjournment thereof before any vote in respect of which the proxy is to be used shall have been taken.

or in any other manner provided by law.

PART 12

DIRECTORS

12.1. The subscribers to the Memorandum of the Company are the first Directors. The Directors to succeed the first Directors may be appointed in writing by a majority of the subscribers to the Memorandum or at a meeting of the subscribers, or if not so appointed, they shall be elected by the members entitled to vote on the election of Directors and the number of Directors shall be the same as the number of Directors so appointed or elected. The number of Directors, excluding additional Directors, may be fixed or changed from time to time by ordinary resolution, whether previous notice thereof has been given or not, but notwithstanding anything contained in these Articles the number of Directors shall never be less than one or, if the Company is or becomes a reporting company, less than three.

12.2. The remuneration of the Directors as such may from time to time be determined by the Directors or, if the Directors shall so decide, by the members. Such remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the company as such who is also a Director. The Director shall be repaid such reasonable travelling, hotel and other expenses as they incur in and about the business of the company and if any Director shall perform any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director or shall otherwise be specially occupied in or about the Company's business, he may be paid a remuneration to be fixed by the Board, or, at the option of such Director, by the Company in general meeting, and such remuneration may be either in addition to, or in substitution for any other remuneration that he may be entitled to receive. The Directors on behalf of the Company, unless otherwise determined by ordinary resolution, may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with the Company or to his spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

12.3. A Director shall not be required to hold a share in the capital of the Company as qualification for his office but shall be qualified as required by the Company Act, to become or act as a Director.

PART 13

ELECTION AND REMOVAL OF DIRECTORS

13.1. At each annual general meeting of the Company all the Directors shall retire and the members entitled to vote thereat shall elect a Board of Directors consisting of the number of Directors for the time being fixed pursuant to these Articles. If the Company is, or becomes, a company that is not a reporting company and the business to be transacted at any annual general meeting is consented to in writing by all the members who are entitled to attend and vote thereat such annual general meeting shall be deemed for the purpose of this Part to have been held on such written consent becoming effective.

13.2. A retiring Director shall be eligible for re-election.

13.3. Where the Company fails to hold an annual general meeting in accordance with the Company Act, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these Articles and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.

13.4. If at any general meeting at which there should be an election of Directors, the places of any of the retiring Directors are not filled by such election, such of the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed pursuant to these Articles until further new Directors are elected at a general meeting convened for the purpose. If any such election or continuance of Directors does not result in the election or continuance of the number of Directors for the time being fixed pursuant to these Articles such number shall be fixed at the number of Directors actually elected or continued in office.

13.5. Any casual vacancy occurring in the Board of Directors may be filled by the remaining Directors or Director.

13.6. Between successive annual general meetings the Directors shall have power to appoint one or more additional Directors but not more than one-third of the number of Directors fixed pursuant to these Articles and in effect at the last general meeting at which Directors were elected. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, but shall be eligible for election at such meeting and so long as he is an additional Director the number of Directors shall be increased accordingly.

13.7. Any Director may by instrument in writing delivered to the Company appoint any person to be his alternate to act in his place at meetings of the Directors at which he is not present unless the Directors shall have reasonably disapproved the appointment of such person as an alternate Director and shall have given notice to that effect to the Director appointing the Alternate Director within a reasonable time after delivery of such instrument to the Company. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote as a Director at a meeting at which the person appointing him is not personally present, and, if he is a Director, to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time by instrument, telegram, telex or any method of transmitting legibly recorded messages delivered to the Company revoke the appointment of an alternate appointed by him. The remuneration payable to such an alternate shall be payable out of the remuneration of the Director appointing him.

13.8. The office of Director shall be vacated if the Director:

- (i) resigns his office by notice in writing delivered to the registered office of the Company; or,

(ii) is convicted of an indictable offence and the other Directors shall have resolved to remove him; or,

(iii) ceases to be qualified to act as a Director pursuant to the Company Act.

13.9. The Company may by special resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

PART 14

POWERS AND DUTIES OF DIRECTORS

14.1. The Directors shall manage, or supervise the management of, the affairs and business of the Company and shall have the authority to exercise all such powers of the Company as are not, by the Company Act or by the Memorandum or these Articles, required to be exercised by the Company in general meeting.

14.2. The Directors may from time to time by power of attorney or other instrument under the seal, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the powers of the directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the Directors may think fit, and any such appointment may be made in favour of any of the Directors or any of the members of the Company or in favour of any corporation, or of any of the members, directors, nominees or managers of any corporation, firm or joint venture and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any such attorney may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

PART 15

DISCLOSURE OF INTEREST OF DIRECTORS

15.1. A Director who is, in any way, directly or indirectly interested in any existing or proposed contract or transaction with the Company or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a Director shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict with his duty and interest as a Director, as the case may be, in accordance with the provisions of the Company Act.

15.2. A Director shall not vote in respect of any such contract or transaction with the Company in which he is interested and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. Subject to the provisions of the Companies Act, the foregoing prohibitions shall not apply to:

(i) any such contract or transaction relating to a loan to the Company, which a Director or a specified corporation or a specified firm in which he has an interest has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan;

(ii) any contract or transaction made or to be made with, or for the benefit of a holding corporation or a subsidiary corporation of which a Director is a director;

- (iii) any contract by a Director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company, or any contract, arrangement or transaction in which a Director is, directly or indirectly, interested if all the other Directors are also, directly or indirectly interested in the contract, arrangement or transaction;
- (iv) determining the remuneration of the Directors;
- (v) purchasing and maintaining insurance to cover Directors against liability incurred by them as Directors; or,
- (vi) the indemnification of any Director by the Company.

These exceptions may from time to time be suspended or amended to any extent approved by the company in general meeting and permitted by the Company Act, either generally or in respect of any particular contract or transaction or for any particular period.

15.3. A Director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and no Director or intended Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the Company Act, no contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall be liable to be voided by reason thereof.

15.4. Subject to compliance with the provisions of the Company Act, a Director or his firm may act in a professional capacity for the Company (except as auditor of the Company) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

15.5. A Director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the Company Act, such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm, unless the Company in general meeting otherwise directs.

PART 16

PROCEEDINGS OF DIRECTORS

16.1. The Chairman of the Board, if any, or in his absence, the President shall preside as chairman at every meeting of the Directors, or if there is no Chairman of the Board of neither the Chairman of the Board nor the President is present within fifteen minutes of the time appointed for holding the meeting or is willing to act as chairman, or if the Chairman of the Board, if any, and the President have advised the Secretary that they will not be present at the meeting, the Directors present shall choose one of their number to be chairman of the meeting.

16.2. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall not have a second or casting vote. Meetings of the Board held at regular intervals may be held at such place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine.

16.3. A Director may participate in a meeting of the Board or of any committee of the Directors by means of conference telephone or other communications facilities by means of which all Directors participating in the meeting can hear each other and provided that all such Directors agree to such participation. A Director participating in a meeting in accordance with this Article shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefore and be entitled to speak and vote thereat.

16.4. A Director may, and the secretary or an Assistant Secretary upon request of a Director shall, call a meeting of the Board at any time. Reasonable notice of such meeting specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the Directors and alternate Directors at his address as it appears on the books of the Company or by leaving it at his usual business or residential address or by telephone, telegram, telex, or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director (i) who is at the time not in the Province of British Columbia, or (ii) if such meeting is to be held immediately following a general meeting at which such Director shall have been elected or is the meeting of Directors at which such Director is appointed.

16.5. Any Director of the Company may file with the Secretary a document executed by him waiving notice of any past, present or future meeting or meetings of the Directors being, or required to have been, sent to him and may at any time withdraw such waiver with respect to meetings held thereafter. After filing such waiver with respect to future meetings and until such waiver is withdrawn no notice need be given to such Director and, unless the Director otherwise requires in writing to the Secretary, to his alternate Director of any meeting or directors and all meetings of the Directors so held shall be deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.

16.6. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed shall be two Directors or, if the number of Directors is fixed at one, shall be one Director.

16.7. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

16.8. Subject to the provisions of the Company Act, all acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or of the members of such committee or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.

16.9. A resolution consented to in writing, whether by document, telegram, telex or any method of transmitting legibly recorded messages or other means, by all of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Directors and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

PART 17

EXECUTIVE AND OTHER COMMITTEES

17.1. The Directors may by resolution appoint an Executive Committee to consist of such member or members of their body as they think fit, which Committee shall have, and may exercise during the intervals between the meetings of the Board, all the powers vested in the Board except the power to fill vacancies in the Board, the power to change the membership of, or fill vacancies in, said Committee or any other committee of the Board and such other powers, if any, as may be specified in the resolution. The said committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Board shall have the power at any time to revoke or override the authority given to or acts done by the Executive Committee except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of such Committee and to fill vacancies in it. The Executive Committee may make rules for the conduct of its business and may appoint such assistants as it may deem necessary. A majority of the members of the said Committee shall constitute a quorum thereof.

17.2. The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board (except the power to fill vacancies in the Board and the power to change the membership of or fill vacancies in any committee of the Board and the power to appoint or remove officers appointed by the Board) subject to such conditions as may be prescribed in such resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Directors shall also have power at any time to revoke or override any authority given to or acts to be done by any such committees except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of a committee and to fill vacancies in it. Committees may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a committee shall constitute a quorum thereof.

17.3. The Executive Committee and any other committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chairman shall not have a second or casting vote. A resolution approved in writing by all the members of the Executive Committee or any other committee shall be as valid and effective as if it had been passed at a meeting or such Committee duly called and constituted. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

PART 18

OFFICERS

18.1. The Directors shall, from time to time, appoint a President, and a Secretary and such other officers, if any, as the Directors shall determine and the Directors may, at any time, terminate any such appointment. No officer shall be appointed unless he is qualified in accordance with the provisions of the Company Act.

18.2. One person may hold more than one of such offices except that the offices of President and Secretary must be held by different persons unless the Company has only one member. Any person appointed as the Chairman of the Board, the President or the Managing Director shall be a Director. The other officers need not be Directors. The remuneration of the officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors; such remuneration may be by way of salary, fees, wages, commission or participation in profits or any other means or all of these modes and an officer may in addition to such remuneration be entitled to receive after he ceases to hold such office or leaves the employment of the Company a pension or gratuity. The Directors may decide what functions and duties each officer shall perform and may entrust to and confer upon him any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions duties and powers. The Secretary shall, inter alia, perform the functions of the Secretary specified in the Company Act.

18.3. Every officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interest as an officer of the Company, shall in writing, disclose to the President the fact and the nature, character and extent of the conflict.

PART 19

INDEMNITY AND PROTECTION

19.1. Subject to the provisions of the Company Act, the Directors shall cause the Company to indemnify a Director or former Director of the Company and the Directors may cause the Company to indemnify a director or former director of a corporation of which the Company is or was a shareholder and the heirs and personal representatives of any such person against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him or them including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is or they are made a party by reason of his being or having been a Director of the Company or a director of such corporation including any action brought by the Company or any such corporation. Each Director of the Company on being elected or appointed shall be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.2. Subject to the provisions of the Company Act, the Directors may cause the Company to indemnify any officer, employee or agent of the company or of a corporation of which the Company is or was a shareholder (notwithstanding that he is also a Director) and his heirs and personal representatives against all costs, charges and expenses whatsoever incurred by him or them and resulting from his acting as an officer, employee or agent of the company or such corporation. In addition the Company shall indemnify the Secretary or an Assistant Secretary of the Company (if he shall not be a full time employee of the Company and notwithstanding that he is also a Director) and his respective heirs and legal representatives against all costs, charges and expenses whatsoever incurred by him or them and arising out of the functions assigned to the Secretary by the Company Act or these Articles and each such Secretary and Assistant Secretary shall on being appointed be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.3. The failure of a Director or officer of the Company to comply with the provisions of the Company Act or of the Memorandum or these Articles shall not invalidate any indemnity to which he is entitled under this Part.

19.4. The Directors may cause the Company to purchase and maintain insurance for the benefit of any person who is or was serving as a Director, officer, employee or agent of the Company or as a director, officer, employee or agent of any corporation of which the Company is or was a shareholder and his heirs or personal representatives against any liability incurred by him as such director, officer, employee or agent.

PART 20

DIVIDENDS AND RESERVE

20.1. The Directors may from time to time declare and authorize payment of such dividends, if any, as they may deem advisable and need not give notice of such declaration to any member. No dividend shall be paid otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the Directors as to the amount of such funds or assets available for dividends shall be conclusive. The Company may pay any such dividend wholly or in part by the distribution of specific assets and in particular by paid up shares, bonds, debentures or other securities of the Company or any other corporation or in any one or more such ways as may be authorized by the Company or the Directors and where any difficulty arises with regard to such a distribution the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments in substitution for all or any part of the specific assets to which any members are entitled shall be made to any members on the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees for the persons entitled to the dividend as may seem expedient to the Directors.

20.2. Any dividend declared on shares of any class by the Directors may be made payable on such date as is fixed by the Directors.

20.3. Subject to the rights of members (if any) holding shares with special rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held.

20.4. The Directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same in reserve, carry forward such funds, which they think prudent not to divide.

20.5. If several persons are registered as joint holders of any share, any one of them may give an effective receipt for any dividend, bonuses or any other moneys payable in respect of the share.

20.6. No dividend shall bear interest against the Company. Where the dividend to which a member is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

20.7. Any dividend, bonuses or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register, or to such person and to such address as the holder or joint holders may direct in writing. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The mailing of such cheque or warrant shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque or warrant shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

20.8. Notwithstanding anything contained in these Articles the Directors may from time to time capitalize any undistributed surplus on hand of the Company and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or debt obligations of the Company as a dividend representing such undistributed surplus on hand or any part thereof.

PART 21

DOCUMENTS, RECORDS AND REPORTS

- 21.1. The Company shall keep at its records office or at such other place as the Company Act may permit, the documents, copies, registers, minutes and records which the Company is required by the Company Act to keep at its records office or such other place, as the case may be.
- 21.2. The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company in order properly to record the financial affairs and condition of the Company and to comply with the Company Act.
- 21.3. Any member holding more than fifty (50%) percent of the Class "A" Common Shares of the Company is entitled to inspect the accounting records of the Company.
- 21.4. The Directors shall from time to time at the expense of the Company cause to be prepared and laid before the Company in general meeting such financial statements and reports as are required by the Company Act.
- 21.5. Every member shall be entitled to be furnished once gratis on demand with a copy of the latest annual financial statement of the Company and, if so required by the Company Act, a copy of each such annual financial statement and interim financial statement shall be mailed to each member.

PART 22

NOTICES

- 22.1. A notice, statement or report may be given or delivered by the Company to any member either by delivery to him personally or by sending it by mail to him to his address as recorded in the register of members. Where a notice, statement or report is sent by mail, service or delivery of the notice, statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report and to have been given on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. A certificate signed by the Secretary or other officer of the Company or of any other corporation acting in that behalf for the Company that the letter, envelope or wrapper containing the notice, statement or report was so addressed, prepaid and mailed shall be conclusive evidence thereof.
- 22.2. A notice, statement or report may be given or delivered by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
- 22.3. A notice, statement or report may be given or delivered by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member by sending it through the mail prepaid addressed to them by name or by the title of representatives of the deceased or incapacitated person or trustee of the bankrupt, or by any like description, at the address (if any) supplied to the Company for the purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given if the death, bankruptcy or incapacity had not occurred.
- 22.4. Notice of every general meeting or meeting of members holding a class of shares shall be given in a manner hereinbefore authorized to every member holding at the time of the issue of the notice or the date fixed for determining the members entitled to such notice, whichever is the earlier, shares which confer the right to notice of and to attend and vote at any such meeting. No other person except the auditor of the Company and the Directors of the Company shall be entitled to receive notices of any such meeting.

PART 23

RECORD DATES

23.1. The Directors may fix in advance a date, which shall not be more than the maximum number of days permitted by the Company Act preceding the date of any meeting of members or any class thereof or of the payment of any dividend or of the proposed taking of any other proper action requiring the determination of members as the record date for the determination of the members entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these Articles, only members of record on the date so fixed shall be deemed to be members for the purposes aforesaid.

23.2. Where no record date is so fixed for the determination of members as provided in the preceding Article the date on which the notice is mailed or on which the resolution declaring the dividend is adopted, as the case may be, shall be the record date for such determination.

PART 24

SEAL

24.1. The Directors may provide a seal of the Company and, if they do so, shall provide for the safe custody of the seal which shall not be affixed to any instrument except in the presence of the following persons, namely:

- (i) any two Directors;
- (ii) one of the Chairman of the Board, the President, the Managing Director, a Director and a Vice-President together with one of the Secretary, the Treasurer, the Secretary-Treasurer, an Assistant Secretary, an Assistant Treasurer and an Assistant Secretary-Treasurer;
- (iii) if the Company shall have only one member, and President or the Secretary; or,
- (iv) such person or persons as the Directors may from time to time by resolution appoint

and the said Directors, officers, person or persons in whose presence the seal is so affixed to an instrument shall sign such instrument. For the purpose of certifying under seal true copies of any document or resolution the seal may be affixed in the presence of any one of the foregoing persons.

24.2. To enable the seal of the Company to be affixed to any bonds, debentures, share certificates, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or officers of the Company are, in accordance with the Company Act and/or these Articles, printed or otherwise mechanically reproduced there may be delivered to the firm or company employed to engrave, lithograph or print such definitive or interim bonds, debentures, share certificates or other securities one or more unmounted dies reproducing the Company's seal and the Chairman of the Board, the President, the Managing Director or a Vice-President and the Secretary, Treasurer, Secretary-Treasurer, and Assistant Secretary, an Assistant Treasurer or an Assistant Secretary-Treasurer may by a document authorize such firm or company to cause the Company's seal to be affixed to such definitive or interim bonds, debentures, share certificates or other securities by the use of such dies. Bonds, debentures, share certificates or other securities to which the Company's seal has been so affixed shall for all purposes be deemed to be under and to bear the Company's seal lawfully affixed thereto.

24.3. The Company may have for use in any other province, state, territory or country an official seal which shall have on its face the name of the province, state, territory or country where it is to be used and all of the powers conferred by the Company Act with respect thereto may be exercised by the Directors or by a duly authorized agent of the Company.

PART 25

PROHIBITIONS

- 25.1. The number of members shall be limited to fifteen.
- 25.2. No shares or debt obligations issued by the Company shall be offered for sale to the public.
- 25.3. No shares shall be transferred without the previous consent of the Directors expressed by a resolution of the Board and the Directors shall not be required to give any reason for refusing to consent to any such proposed transfer.

PART 26

RESTRICTION OF SHARE TRANSFERS

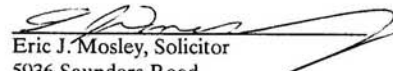
26.1. No shares in the capital of the Company shall be transferred by any member, or the personal representative of any deceased member or trustee in bankruptcy of any bankrupt member, or the liquidator of a member which is a corporation, except under the following conditions:

- (a) A person (herein called the "proposing transferor") desiring to transfer any share or shares in the Company shall give notice in writing (herein called the "transfer notice") to the Company that he desires to transfer the same. The transfer notice shall specify the price, which shall be expressed in lawful money of Canada, and the terms of payment upon which the proposing transferor is prepared to transfer the share or shares and shall constitute the Company his agent for the sale thereof to any member or members of the Company at the price and upon the terms of payment so specified. The transfer notice shall also state whether or not the proposing transferor has had an offer to purchase the shares or any of them from, or proposes to sell the shares or any of them to, any particular person or persons who are not members and if so the names and addresses of such persons shall be specified in the transfer notice. The transfer notice shall constitute an offer by the proposing transferor to the other members of the Company holding shares of the class or classes included in the transfer notice and shall not be revocable except with the sanction of the directors. If the transfer notice pertains to shares of more than one class then the consideration and terms of payment for each class of shares shall be stated separately in the transfer notice.
- (b) The directors shall forthwith upon receipt thereof transmit the transfer notice to each of the members, other than the proposing transferor, holding shares of the class or classes set forth in the transfer notice and request the member to whom the transfer notice is sent to state in writing within 14 days whether he is willing to accept any, and if so, the maximum number of shares he is willing to accept at the price and upon the terms specified in the transfer notice. A member shall only be entitled to purchase shares of the class or classes held by him.

- (c) Upon the expiration of the 14 days notice period referred to in article 26.1(b), if the directors shall have received from the members entitled to receive the transfer notice sufficient acceptances to take up the full number of shares offered by the transfer notice and, if the transfer notice includes shares of more than one class, sufficient acceptances from the members of each class to take up the full number of shares of each class offered by the transfer notice, the directors shall thereupon apportion shares so offered among the members so accepting and so far as may be, pro rata, according to the number of shares held by each of them respectively, and in the case of more than one class of shares, then pro rata in respect of each class. If the directors shall not have received sufficient acceptances as aforesaid, they may, but only with the consent of the proposing transferor who shall not be obliged to sell to members in the aggregate less than the total number of shares of one or more classes of shares offered by the transfer notice, apportion the shares so offered among the members so accepting so far as may be according to the number of shares held by each respectively but only up to the amount accepted by such members respectively. Upon any such apportionment being made the proposing transferor shall be bound upon payment of the price to transfer the shares to the respective members to whom the directors have apportioned same. If, in any case, the proposing transferor, having become so bound fails in transferring any share, the Company may receive the purchase money for that share and shall upon receipt cause the name of the purchasing member to be entered in the register as the holder of the shares and cancel the certificate of the share held by the proposed transferor, whether the same shall be produced to the Company or not, and shall hold such purchase money in trust for the proposing transferor. The receipt of the Company for the purchase money shall be a good discharge to the purchasing member and after his name has been entered in the register the validity of the proceedings shall not be questioned by any person.
- (d) In the event that some or all of the shares offered shall not be sold under the preceding articles within the 14 day period referred to in article 26.1(b), the proposing transferor shall be at liberty for a period of 90 days after the expiration of that period to transfer such of the shares so offered as are not sold to any person provided that he shall not sell them at a price less than that specified in the transfer notice or on terms more favorable to a purchaser than those specified in the transfer notice.
- (e) The provisions as to transfer contained in this article shall not apply:
 - (i) If before the proposed transfer of shares is made, the transferor shall obtain consents to the proposed transfer from members of the Company, who at the time of the transfer are the registered holders of two-thirds or more of the issued shares of the class to be transferred of the Company or if the shares comprise more than one class, then from the registered holders of two-thirds or more of the shares of each class to be transferred and such consent shall be taken to be a waiver of the application to the preceding articles as regards such transfer; or,
 - (ii) To a transfer of shares desired to be made merely for the purpose of effectuating the appointment of a new trustee for the owner thereof, provided that it is proved to the satisfaction of the Board that such is the case.

26.2. Notwithstanding anything contained in these articles the directors may in their absolute discretion decline to register any transfer of shares and shall not be required to disclose their reasons therefor.

**FULL NAME(S), ADDRESS(ES) AND OCCUPATION(S)
OF SUBSCRIBER(S)**


Eric J. Mosley, Solicitor
5936 Saunders Road
Port Alberni, BC
V(Y 7L5

DATED at the City of Port Alberni, in the Province of British Columbia, this 18th day of
September, A.D., 1995.

WITNESS to the above signature: Carmi Donovan

Appendix B Hupacasath Land Use Plan 2003 Land Use Designations and Management Values

B.1 Sproat Lake

Land Use Designation

- Special Management

Area and Location

- Middle section of the territory, south of Great Central Lake
- Total Area: 23 405 ha
- % of Territory: 10.06

Land Tenure

- Hupacasath rights and title
- Provincial Tree Farm Licence 44
- Provincial Timber Supply Area 38

Cultural Values

- High cultural value
- Important hunting area—23 sites
- 9 gathering sites
- 10 temporary camps
- 3 legend sites
- 6 meeting sites
- 33 named places
- Petroglyphs
- Klehkoot reserve
- High fishery value
- Deer run
- 16 archaeological sites: 2 CMT, 6 lithic, 6 artifact, 1 rock art
- 7 sacred sites
- 3 spiritual sites
- 4 trapping areas
- Hupacasath community picnic area

Resource Values

Fish

- High salmon values
- Important fish rearing area for trout, sockeye, coho

Forest

- High incidence of red and yellow cedar

Wildlife

- Marbled Murrelet habitat
- Deer

Tourism / Recreation

Very high values for:

- Lots of campsites, 4 provincial sites on north side and 2 on south side plus 20 or more unofficial sites
- Boating, fishing, swimming, high recreation in summer
- Hunting, off-roading

Other

- Mars bombers

Management Objectives

- Protect visual quality and recreation values
- Protect archaeological and cultural values
- Develop red and yellow cedar management strategy to include Hupacasath exclusive use
- Timber Harvesting and resource development after protecting other values.

B.2 Taylor

Land Use Designation

- Special Management

Area and Location

- West end of Sproat Lake
- Total area: 12 044 ha
- % of Territory: 5.18

Land Tenure

- Hupacasath rights and title
- Provincial Tree Farm Licence 44

Cultural Values

- 3 name places
- 4 gathering sites
- 1 sacred site
- 1 trapping site
- Some CMTs
- 7 hunting sites
- 1 meeting site

Resource Values

Fish

- Major salmon spawning area

Forest

- Reasonable amount of old growth
- Tay fire

Tourism/Recreation

- Medium value for camping, hiking and mountain biking

Management Objectives

- Allocate old growth to Hupacasath

Appendix C Legislation and Higher Level Plans – Guidance Documents for the Management Plan

C.1 Vancouver Island Land Use Plan Higher Level Plan

The *Land Act* and the Land Use Objectives Regulation provide for the establishment of land use objectives under the Forest and Range Practices Act (FRPA) based on requirements of the Vancouver Island Summary Land Use Plan (VISLUP).

The VISLUP established resource management zones and objectives including Special Management Zones (SMZ), was not a legal document. A HLP order signed in October 2000 outlined land use objectives from the VISLUP that are legally binding under the FRPA.

Within the Sproat Landscape Unit, the Taylor Operating Area of the AVCF is designated under the HLP as being within SMZ 17.

All activity within the SMZ landbase must incorporate the following SMZ objectives:

1. Sustain forest ecosystem structure and function in SMZs, by:
 - (a) creating or maintaining stand structures and forest attributes associated with mature (>80 years) and old forests (>250 years), subject to the following:
 - i. the target for mature seral forest should range between one quarter to one third of the forested area of each SMZ; and
 - ii. in SMZs where the area of mature forest is currently less than the mature target range referred to in (i) above, the target amount of mature forest must be in place within 50 years;
 - (b) retaining, within cutblocks (non-contiguous with cutblock boundaries), structural forest attributes and elements with important biodiversity functions (snags, wildlife trees, downed logs); and
 - (c) applying a variety of silvicultural systems, patch sizes and patch shapes across the zone, subject to a maximum cutblock size (Net Area to be Reforested) of 5 ha if clearcut, clearcut with reserves or seed tree silvicultural systems are applied, and 40 ha if shelterwood, selection or retention silvicultural systems are applied.
2. Despite subsection 1(c) above, cutblocks larger than 5 or 40 ha, as the case may be, may be approved if harvesting is being carried out to recover timber that was damaged by fire, insects, wind or other similar events and wherever possible, the cutblock incorporates structural characteristics of natural disturbances.

C.2 Sproat Lake Landscape Unit Plan

The AVCF landbase is also covered under the Sproat Landscape Unit (LU) Plan. The Sproat Lake LU covers a total area of 35 453 ha. Eighteen percent (6378 ha) are in the community forest. The LU area figure includes the surface area of lakes within the LU, with Sproat Lake covering an area of approximately 4 232 ha.

Objectives for the Sproat LU were established in a landscape level planning process. An intermediate Biodiversity Emphasis Option (BEO) was assigned to the Sproat LU based on a combination of factors including the amount of protected area within the LU, percent of old forest, ecosystem complexity, sensitivity to development, connectivity, forest productivity and timber operability.

Plan objectives have become legal objectives by Government Order through the *Land Act*. Sproat LU Objectives are mainly addressed through the establishment of OGMA's and setting targets for Wildlife Tree Retention as follows:

Objective 1 – Old Growth Management Areas

1) Maintenance or recruitment of old growth forests

Maintain or recruit old growth forests in established old OGMA's, as shown on the attached Sproat Lake Landscape Unit map dated June 30, 2005, subject to section 2 below.

2) Permissible Activities

a) Minor OGMA boundary adjustments for operational reasons:

To accommodate operational requirements for timber harvesting and road or bridge construction, boundaries of OGMA's that are 10 ha or greater in size may be adjusted, provided that

- i) the boundary adjustment does not affect more than 10 per cent of the area of the OGMA,
- ii) road or bridge construction is required to access resource values beyond or adjacent to the OGMA and no other practicable option for road or bridge location exists, and
- iii) suitable OGMA replacement forest of at least equivalent quantity is identified either (in order of priority) directly adjacent to, or in the same variant and landscape unit as the adjusted OGMA.

In the case of ii) above, as an alternative to finding replacement area the licensee may permanently deactivate and rehabilitate a temporary road or bridge site within four years after construction.

b) Other permissible activities:

- i) Boundary pruning of trees to improve wind firmness.
- ii) Timber harvesting to prevent the spread of insect infestations or diseases that pose a significant threat to forested areas outside of OGMA's. Salvage within OGMA's will be done in a manner that retains as many old growth forest attributes as possible.
- iii) Maintenance, deactivation, removal of danger trees, or brushing and clearing on existing roads under active tenure within the right-of-way for safety purposes.
- iv) Felling of guyline clearance, tailhold anchor trees, or danger trees (except high value wildlife trees) along cutblock boundaries or within the right of way on new road/bridge alignments to meet safety requirements.
- v) Construction of rock quarries and gravel pits under authority of forest tenure where the development will be located immediately adjacent to existing roads under tenure and will affect the OGMA by less than 0.5 ha in total.
- vi) Intrusions, other than those specified that affect an OGMA by less than 0.5 hectare in total.

OGMA replacement forest is required as a result of activities under 2b) above, if the total net change to the OGMA exceeds 0.5 ha in size. Replacement forest must be biologically suitable, of at least equivalent quantity and situated (in order of priority), either immediately adjacent to the existing OGMA, or in the same variant and landscape unit as the existing OGMA.

Objective 2 – Wildlife Tree Retention

Maintain stand-level structural diversity, by retaining wildlife tree patches (WTPs)⁸.

The holder of an agreement under the Forest Act, except a woodlot licence agreement, who completes harvesting in one or more cutblocks, except minor salvage cutblocks⁹, located within the LU during any 60 month period beginning on January 1 of any calendar year following the establishment of this objective, must ensure that, at the end of that 60 month period, the total area covered by wildlife tree retention areas that relate to the cutblocks, meets or exceeds the percent of the total area of the cutblocks by subzone presented in the table below.

In addition:

- (1) WTPs must be well distributed across the BEC subzone.
- (2) When designated at the operational site plan level, WTPs must be located within or immediately adjacent to a cutblock.
- (3) No timber harvesting, including single tree selection is to occur within WTPs, except as noted in (4) below
- (4) Salvage of windthrown timber is permitted within WTPs where windthrow impacts 25% to 50% of the dominant or co-dominant stems. Salvage of windthrown timber and harvesting of remaining standing stems is permitted within WTPs where windthrow exceeds 50% of the dominant or co-dominant stems; or where forest health issues pose a significant threat to areas outside the WTP. Where salvage/harvesting is planned and authorized, suitable replacement WTP of at least equivalent quantity must be identified concurrently to achieve the retention target.
- (5) WTPs should include, if present, remnant old-growth patches and live or dead veteran trees (excluding danger trees).
- (6) WTPs must include representative larger trees for the stand (dbh>average operational cruise) and any moderate to high value wildlife trees if available (excluding danger trees).
- (7) BEC subzones and variants will be determined by operational site plan information.
- (8) In WTPs with a likelihood of windthrow, pruning and/or topping may be carried out to maintain the integrity of the WTP.

Wildlife Tree Retention by BEC subzone in the Sproat Lake Landscape Unit.

Biogeoclimatic Subzone	% WTP requirement
CWH mm (Coastal Western Hemlock, moist maritime)	7
CWH vm (Coastal Western Hemlock, very wet maritime)	5
CWH xm (Coastal Western Hemlock, very dry maritime)	12
MH mm (Mountain Hemlock, moist maritime)	0

⁸ Wildlife Tree Patches are now called Wildlife Tree Retention Areas in FRPA legislation.

⁹ A minor salvage cutblock is defined as less than 2.0 ha of harvesting and/or less than total volume of 2,000m³ excluding volume from any road clearing width, if the road is required to facilitate the removal of the timber within the minor salvage cutblock.

Hierarchically, LU objectives override objectives set by government or regulation via FRPA and LU objectives must be consistent with resource management zone objectives outlined in a Higher Level Plan (HLP).

When the Sproat LU plan was completed, the HLP and LU objectives were addressed by placing a higher proportion of (OGMAs) in the LU to address requirements of SMZ 17.

C.3 Forest and Range Practices Act

Under FRPA objectives for resource management have been proposed by government. Strategies to achieve objectives, and expected measurable results for relevant forest and non-forest resources are outlined by each licensee in their Forest Stewardship Plans (FSP).

"result" means a description of (a) measurable or verifiable outcomes in respect of a particular established objective, and (b) the situations or circumstances that determine where in a forest development unit the outcomes under paragraph (a) will be applied;

"strategy" means a description of (a) measurable or verifiable steps or practices that will be carried out in order to meet a particular established objective, and (b) the situations or circumstances that determine where in a forest development unit the steps or practices will be applied.

Under FRPA an FSP must propose results and strategies that address objectives set by government (OSBG). OSBG includes objectives prescribed in the *Forest Planning and Practices Regulation* (FPPR) and ones established under the *Land Act*. The OSBG in the FPPR are limited to the following subjects:

- (a) soils;
- (b) visual quality;
- (c) timber;
- (d) forage and associated plant communities;
- (e) water;
- (f) fish;
- (g) wildlife;
- (h) biodiversity;
- (i) recreation resources;
- (j) resource features; and
- (k) cultural heritage resources.

OSBG under the FPPR can be viewed at the following link

<http://www.for.gov.bc.ca/tasb/legsregs/frpa/frparegs/forplanprac/fppr.htm#part2-div1>.

The Management Plan must be consistent with the Acts, regulations, and standards in effect at the time the plan was prepared. Thus, the Management Plan and any additional proposed objectives must be consistent with FRPA, and with the OSBG. The TSA included with the Management Plan must take into account net-downs resulting from proposed FSP results and strategies to address OSBG and practice requirements (strategies) legislated in the FRPA.

For the AVCF the Management Plan objectives and the results and strategies to achieve objectives provide the terms of reference for the TSA and the resulting AAC determination. However, these are prepared with a future FSP in mind as the AVCF area cannot be covered by a FSP until a licence agreement is established.

C.4 FPPR Practice Requirements

The FPPR practice requirements are strategies to achieve outcomes outside of the FSP that must be followed by the licensee (unless an exemption is granted). These can be found at the following link: <http://www.for.gov.bc.ca/tasb/legsregs/frpa/frparegs/forplanprac/fppr.htm#part4>. Practice requirements are predetermined steps to take to achieve OSBG. For example, FPPR s. 36 requires that “an agreement holder must ensure that the area in a cutblock that is occupied by permanent access structures built by the holder or used by the holder does not exceed 7% of the cutblock.” This practice requirement is aimed to achieve an OSBG to “to conserve the productivity and the hydrologic function of soils.”

The AVCF Management Plan AAC calculation must take into account any practice requirements that will reduce the available Timber Harvesting Land Base (THLB).

C.5 Hupacasath First Nation Land Use Plan

The HLUP summarizes Hupacasath Standards of management for forest resources. The document encompasses many of the practices outlined in the original Forest Practices Code Guidebooks, which are thought of as being very well researched and are largely followed, but places these requirements in a First Nation’s context.

The HLUP gives standards or strategies to meet the objectives for management zones. Standards are given for:

- Cultural Responsibility.
- Consultation and Accommodation.
- Planning.
- Economic Sustainability.
- Culturally Modified Trees.
- Net Downs for Cultural Use.
- Red and Blue Listed Species.
- Sensitive Ecosystems.
- Herbicide Use.
- Water Quality.
- Roads.
- Riparian Buffers.
- Landslide Hazard.
- Terrain Assessments.
- Variable Retention Harvesting.
- Windthrow Management.
- Salvage of Windthrown Timber.
- Forest Health.

- Stocking Standards.
- Standing Stem Helicopter Harvesting.

C.6 Community Forest Agreement

The Community Forest Agreement is the license outlining the harvesting rights and obligations of the community forest. A minimum harvest volume for cut control purposes must be negotiated with the agreement holder.

**Coastal Small Tenures
Timber Supply Analysis**

**Port Alberni Community Forest Agreement
Arrowsmith TSA**

Timber Supply Analysis Report

April 15, 2005

Prepared For:

Doug Stewart
Coast Reallocation Team
Ministry of Forests – Coast Region
2100 Labieux Road
Nanaimo, BC V9T 6E9
(250) 751-7049



Submitted By:



Head Office, Southern Operations

330-42nd Street SW
Box 2079, Salmon Arm, BC, V1E 4R1
Tel. (250) 832-3366
Fax (250) 832-3811

Coastal Operations

Suite 213, 1720 14th Ave.
Campbell River, BC, V9W 8B9
Tel. (250) 286-3806
Fax (250) 286-3896
www.forsite.ca

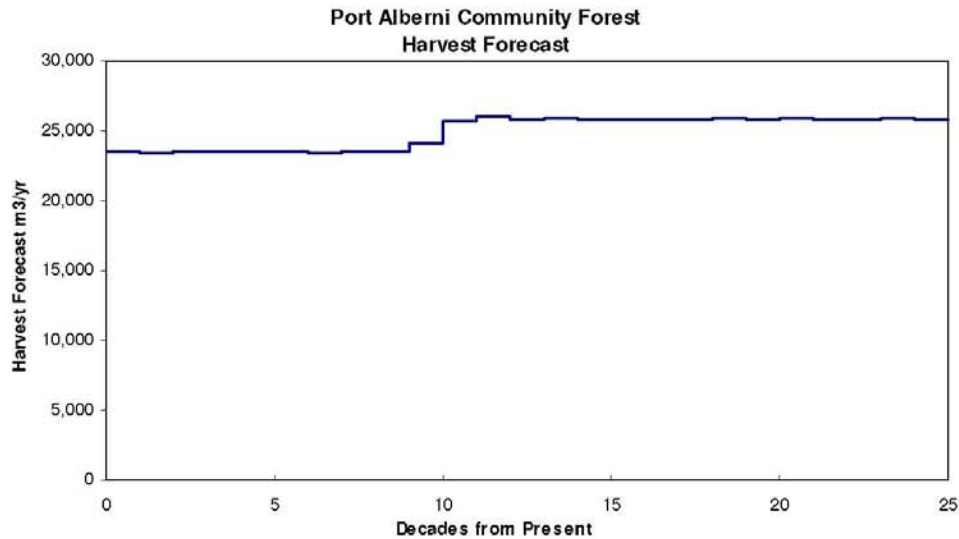
Northern Operations

#204 10001 101 Ave.
Grande Prairie, AB, T8V 0X9
Tel. (780) 532-8202
Fax (780) 402-6661

Executive Summary

This report provides a timber supply forecast for the proposed Port Alberni Community Forest Agreement (CFA) area located near the community of Port Alberni on Vancouver Island. The total size of the proposed CFA area is 8,206.5 ha, of which 6,928.0 ha (84%) is eligible crown forested land base (CFLB), and 4,364.7 ha (53%) is considered timber harvesting land base (THLB).

Timber supply was modeled spatially over 250 years using Weyerhaeuser's TFL 44 Management Plan (June 2002) assumptions to define the THLB and Arrowsmith TSAs TSR2 assumptions to define growth and yield, and management assumptions/strategies. The figure below illustrates the projected harvest flow over time and shows that an initial average harvest level of 23,458 m³ per year can be maintained for 90 years before it begins to transition up to a long term harvest level of 25,822 m³/year.



The short term harvest level is limited primarily by the amount of past harvesting activity and the forest cover constraints applied to the community watershed and partial retention VQO areas. There is reasonable harvest opportunity in the initial years of the planning horizon but this volume must be metered out over the first 9 decades until second growth stands are fully online. Harvest opportunity is most limited during the 2nd and 3rd decades. The long term harvest level is 10% higher than this initial level and occurs once second growth stands begin to dominate the harvest profile. These stands provide more flexibility in meeting limiting forest cover constraints and tend to produce more volume per hectare.

Acknowledgements

Preparation of this report and analysis would not have been possible without cooperation and input from several individuals and organizations. Doug Stewart (MoF) provided direction on key project concepts and issues. Jim Brown (MoF) provided timber supply modeling support. Emma Neill (MoF) assisted in the localization of assumptions. Peter Kofoed (Weyerhaeuser Nanaimo Woodlands) and Ross Petit (consultant) provided the data and associated TFL assumptions.

The Forsite project team consisted of Mike Landers, RPF, Cam Brown, RPF, Stephen Smyrl, and Steve Patterson.

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Introduction

In 1999, a major tenure transfer occurred when Weyerhaeuser Company Ltd. purchased MacMillan Bloedel Ltd. Consequently, the AAC available to the holder was reduced by 5 percent; this volume (48,994 m³) was to be reallocated to the Arrowsmith Timber Supply area. A portion of the area was located on the West Coast and the remaining portion of this volume is now being considered for a new Community Forest Agreement (CFA). This report describes the both CFA proposed near Port Alberni on Vancouver Island British Columbia and the results of a timber supply analysis completed to help define an area able to support an annual allowable cut (AAC) of approximately 22,000 m³/yr.

The Port Alberni CFA area consists of 5 physically separate land units covering 8,206.5 hectares (net of private land) located in the South Island Forest District and Arrowsmith Timber Supply Area (Figure 1).

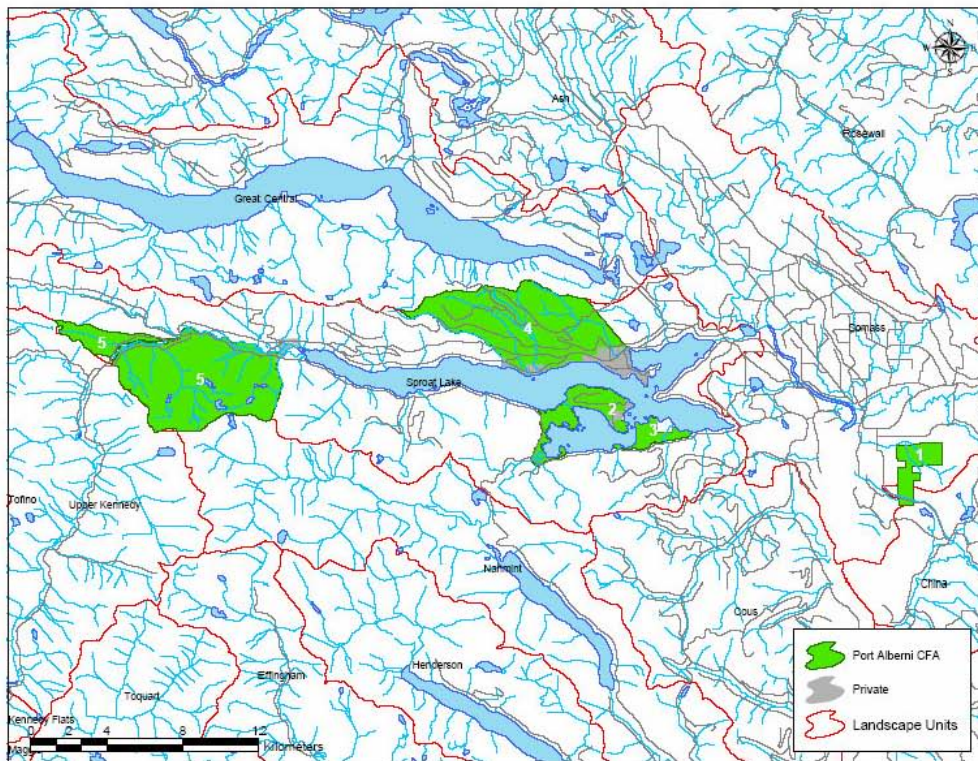


Figure 1. Port Alberni Community Forest

Methods

Ministry of Forests district staff provided boundaries for a CFA area that was expected to provide the desired harvest level. Within the proposed boundaries, internal units were identified and prioritized in case only a portion of it was needed to achieve the 22,000 m³/yr target. The timber supply model incorporated all of the proposed area and yields were derived using the THLB portion of this land base. The CFA area shown in this report is the version that corresponds with the desired harvest level.

The primary objective of this project is to determine and assess the long and short term timber supply for the community forest proposed in Port Alberni as noted above. The landbase used in this analysis was broken down into five separate units (see Figure 1) with the objective being to meet the desired harvest objective using only the area required. The harvest objective is to use each block in order of preference where 1 is given first preference and subsequent units can be added as required up to and including area 5. Additional area originally considered and not required to meet the target has been removed.

The spatially explicit model *Forest Planning Studio* (FPS-ATLAS) was used to provide timber supply forecasts. FPS-ATLAS is a forest-level simulation model that was developed by Dr. John Nelson at the University of British Columbia. FPS-ATLAS is designed to schedule harvests according to a range of spatial and temporal objectives (i.e. harvest flows, opening size, riparian buffers, seral stage objectives and patch size distributions). Silviculture systems, rotation ages and growth and yield curves are assigned to each polygon. At each time step, polygons are first ranked according to a cutting priority (e.g. oldest first). Polygons are then harvested from this queue subject to constraints designed to meet forest level objectives (e.g. opening size and seral stage targets). Polygons are harvested until either the queue is exhausted or the periodic harvest target is met. At this stage the forest is aged to the next time period, and the process is repeated. At each time period, the model reports the status of every polygon in the forest estate.

While FPS-ATLAS is a spatially explicit timber supply model it is not the intention or objective of this analysis to produce an operational plan. A spatial model such as the one used allows visual verification of the analysis inputs and results. No spatial constraints were applied at the block level that would result in the output of realistic harvest 'blocks'. Modeling results are meant only to assess overall harvest levels in the short and long term.

The data used for timber supply input is primarily a subset of the data used for the timber supply analysis component of Weyerhaeuser's Management Plan 4 for TFL 44 in June of 2002. Therefore, the timber harvesting landbase (THLB) for the community forest has been defined using the landbase definitions used by Weyerhaeuser. The demonstration forest data which comes from the TSA has been integrated into the TFL data for this project. All other assumptions are based on the Arrowsmith timber supply review (TSR2) of September 2001.

Community Forest Attribute Summary:

The Community Forest Area proposed in Port Alberni is highly operable with more than 63% of the contributing landbase being operable area. The contributing landbase for the proposed area totals 8,206.5 ha (84% of the total area) and the timber harvesting landbase is 4,364.7 ha (60% of the contributing area). Table 1 below details the gross area by BEC variant.

Table 1. BEC variant classification for the total CFA area.

AT	CWHmm1	CWHmm2	CWHvm1	CWHvm2	CWHxm1	CWHxm2	MHmm1	Total (ha)
55	1,471	973	1	1,310	911	2,474	1,013	8,702

Table 2 below details the distribution of the THLB area by leading species group and the site index associated with the group. The weighted average site index is 25.0.

Table 2. THLB by species group and site index.

Site Index	Hectares by Leading Species Group				
	FD	HBS	C	Decid	Total
6.1-11	10.3	0.4	-	-	10.7
11.1-16	73.3	118.0	2.1	3.2	196.6
16.1-21	520.9	595.3	0.2	-	1,116.3
21.1-26	1,278.3	384.9	21.7	12.0	1,696.9
26.1-31	753.0	69.4	-	21.9	844.3
31.1-36	283.4	-	-	1.3	284.7
36.1-41	77.9	12.5	-	-	90.4
>41	124.8	-	-	-	124.8
Total	3,121.8	1,180.5	24.0	38.4	4,364.7
Percent of Total:	71.5	27.0	0.6	0.9	

Table 3 below describes the THLB area in terms of leading species and age class.

Figure 2 illustrates the age class distribution on both the Crown Forested Land Base and the THLB.

Figure 3 illustrates the spatial distribution of the age classes associated with the THLB.

Table 3. THLB Area by leading species and age class

Age Class	Hectares by Leading species				
	FD	HBS	C	Decid	Total
0-20	156.6	268.8	9.4	-	434.8
21-40	950.8	269.3	-	4.6	1,224.7
41-60	1,487.7	133.1	4.4	5.5	1,630.7
61-80	291.8	-	-	26.0	317.7
81-100	31.7	-	-	-	31.7
101-120	35.4	-	-	2.3	37.7
121-140	-	-	-	-	-
141-250	26.4	77.4	-	-	103.8
250+	141.4	431.9	10.2	-	583.6
Total	3,121.8	1,180.5	24.0	38.4	4,364.7
Percent of Total:	71.5	27.0	0.6	0.9	



Figure 2. Current age class distribution by land base type.

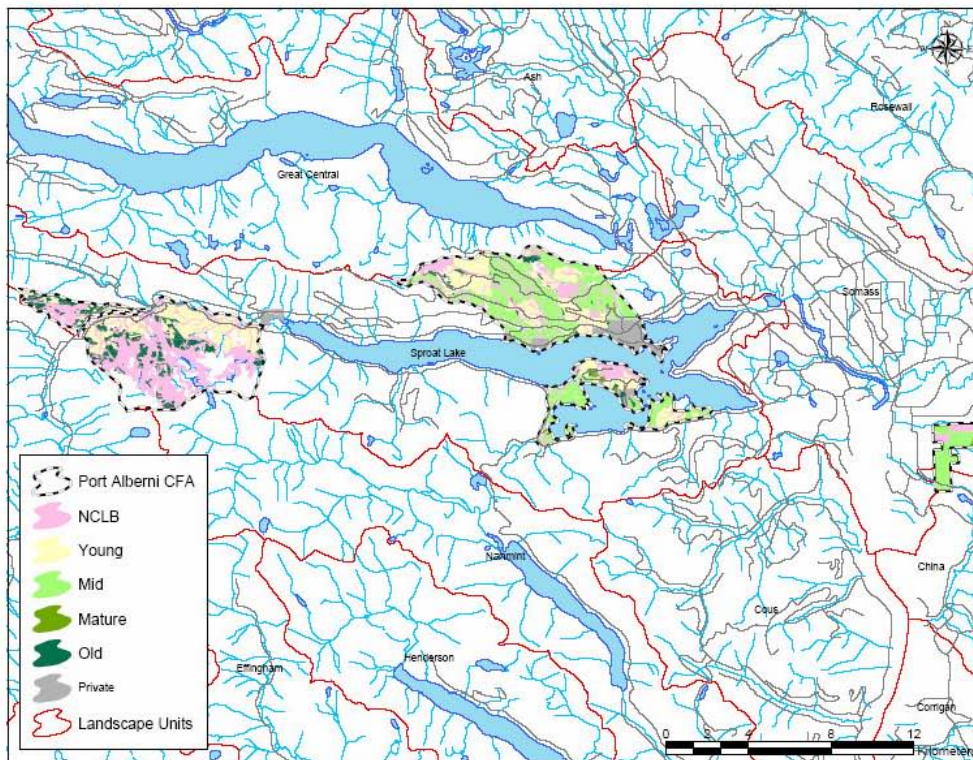


Figure 3. Port Alberni community forest THLB distribution by age class group

Land Base Assumptions

The timber harvesting land base (THLB) derivation is shown in Table 4 and described below. In many instances, polygons could have been removed by several netdown factors but netdown areas were only attributed to the predominate factor to avoid double counting. Areas were always assigned to the netdown reason occurring highest on the list (Table 4).

Table 4. Timber harvesting land base definition.

Classification	Area (hectares)	Percent of total area	Percent of CFLB area
Gross Area of CFA	8,206.5	100.0	
Non productive	(1,105.5)	13.5	
Existing Roads	(173.0)	2.1	
Total Crown Forest Land Base	6,928.0	84.4	100.0
Reductions to Crown Forest			
OGMAs	811.0	9.9	11.7
Riparian Reserves	837.0	10.2	12.1
Economically Inoperable	297.4	3.6	4.3
High recreation value	279.3	3.4	4.0
Environmentally Sensitive Areas	166.1	2.0	2.4
Physically Inoperable	145.2	1.8	2.1
Total productive forest exclusions	2,535.9	30.9	36.6
Timber Harvesting Land Base	4,364.7	53.2	63.0

Modeling THLB

The THLB for this analysis represents a combination of TFL 44 MP4 and TSA TSR2 data sets¹ being merged together to form one resultant data set for the analysis. The net THLB in each of these data sets was derived using partial netdowns. For spatial timber supply modeling, polygons must be entirely THLB or Non-THLB so partial netdowns were converted to full netdowns. The total area of THLB remained the same but the spatial location was slightly altered. For this unit, the THLB used for modeling is 0.4 ha smaller than the THLB area on the MP4/TSR2 file. To arrive at this result, polygons which were largely non-contributing were excluded until the area target was met, while those polygons that are primarily contributing were wholly included. If a break was needed within an inclusion factor class, the smallest polygons were removed until the THLB target was achieved.

The netdowns applied to the crown productive forest (CFLB) are listed below.

Non Productive Areas

All land classified as non-forested, such as lakes, swamp, rock and alpine, were excluded from the crown forested land base.

Private Land

Any private land or other crown land and within an area-based tenure (woodlot) falling within the CFA area was removed from the crown forested land base.

Roads Trails and Landings

Existing roads for the plan are in the GIS database for TFL 44 as line features. The area degraded by roads was estimated by applying a buffer of 6.7 meters to either side of the line.

Estimates for future roads, trails and landings are applied after stands are first harvested in the simulation model. Estimates will be applied as a 4 percent volume netdown on future yield curves. This method permits the volume in road right of ways to be captured in first pass harvesting.

¹ Depletions updated to spring of 2004

Old Growth Management Areas

Spatially explicit draft OGMAs have been identified in the Sproat Lake landscape unit. These OGMAs have withstood extensive review and are not expected to change. Consequently, these OGMAs have been netted out of the productive landbase and will satisfy old growth retention requirements.

Riparian Reserve and Management Zones

The netdown assumptions for riparian management areas (reserves and management areas) are based on the TFL 44 MP4 data set supplied. These netdowns are based on maximum values provided in the Riparian Guidebook. The classifications and associated netdowns are summarized in Table 5. Mapped streams were assigned classifications (S1-S6), buffered then removed from the THLB.

Table 5. Landbase reductions for riparian management

Stream Class	Stream Width (m)	Reserve Zone		Management Zone	
		Width (m)	Netdown (%)	Width (m)	Netdown (%)
S1	20.1-100	50	100	20	50
S2	5.1 - 20	30	100	20	50
S3	1.5 - 5	20	100	20	50
S4	<1.5	0	0	30	25
S5	>3.0	0	0	30	25
S6	3.0	0	0	20	5

The presence of fish and community watersheds has been recognized in this netdown process. Streams that are not mapped at 1:20 000 are expected to be small; an additional netdown of 1% of the net landbase (after considering mapped netdowns) is made as an additional allowance for these areas.

Economic Operability

Currently uneconomic stands have been eliminated from this analysis based on the following economic operability standards (Table 6).

Table 6. Economic operability classification

Stand Type	Conventional (m ³ /ha)		Non-conventional (m ³ /ha)	
	Uneconomic	Marginal	Uneconomic	Marginal
Fir-Cedar	< 278	278-389	< 444	444-556
Hem-Bal	< 333	333-434	< 500	500-611
Hem-Bal-Cyp				
<40% X, Y, Z Grades	< 333	333-444	< 444	444-556
>40% C, Y, Z Grades	< 444	444-556	> 556	556-667
Cedar				
<40% X, Y, Z Grades	< 278	278-389	< 389	389-500
>40% X, Y, Z Grades	< 389	389-500	< 556	556-667

Recreation

Recreation areas or recreation features have been addressed following the precedent set by Weyerhaeuser in MP4 and the associated data records.

Table 7. Recreation feature netdowns

Recreation Feature Significance	Recreation Management Class	Netdown (%)
A,B	0	100
A,B	1	50
C	1A	Polygon specific ²

Environmentally Sensitive Areas

Terrain stability mapping for the plan area uses the 5 class system for mapping terrain stability. Classes I, II, and III are considered stable, class IV is considered potentially unstable and class V is unstable. Based on this classification system terrain stability netdowns were applied as outlined in Table 8. The terrain zones noted are the terrain groupings used by Weyerhaeuser to track their different terrain inventories.

Table 8. Environmentally sensitive area netdowns

Terrain Zone	Partial Netdown (%)		
	Terrain Classification		
	Class I - III	Class IV	Class V
5A/5B	0	20	90

Avalanche run-out zones have been mapped as Ea1 areas. A 20% net-down is applied to these areas.

Operability

The mature productive forest has been assessed for physical operability and for broad classes of logging methods. The assessment was done in 1993. Three classes have been mapped, specifically:

1. Physically Inoperable Timber
Timber on productive land that is steep and/or rocky and it cannot be safely felled or yarded, or a significant proportion of the volume could not be recovered.
2. Conventional Harvest Systems
Includes timber on productive, physically operable land that is harvestable by conventional methods, i.e., grapple, high-lead, hoe-chuck, skidder, etc.
3. Non-conventional Harvest Systems
Includes timber on productive, physically operable land that is harvestable only by non-conventional methods. These include helicopter, balloon or long-line cable systems.

Both conventional and non-conventional harvest systems are included in the THLB, while physically inoperable timber was excluded.

Wildlife Habitat Area RemovalsUngulate Winter Range

Ungulate winter range recently confirmed under Order #U-1-013 on October 18, 2004 have been excluded from the THLB in this analysis.

² Attempts to "roll over" Weyerhaeuser's recreation inventory to MOF 1998 standards were unsuccessful. Consequently, the netdowns for C1A recreation polygons were visited individually to determine the appropriate netdown. Net down range from 10 to 100%

Marbled Murrelets

The 2 approved MAMU WHAs in the Sproat LU (#1-030 and #1-031) do not fall within any of the area proposed for the community forest plan area.

Deciduous Species

The net deciduous area (after reductions for other reasons, such as low sites and riparian) has been further reduced by 50% to address poor quality issues arising from deterioration due to age. The net result is that some deciduous area is retained in the contributing land base as it is expected that there will be a steady market for this hardwood species³.

Cultural Heritage Resources

Existing management experience to date suggests that there is little if any additional netdown for culturally modified trees (CMTs). Based on Weyerhaeuser's MP4 assumptions, a netdown of 0.5% for CMTs was applied.

Growth & Yield Assumptions

Yield Model Assignment

Two growth and yield models were used to estimate timber volumes for this Community Forest analysis.

- The variable density yield prediction (VDYP) model developed by the B.C. Ministry of Forests, Resources Inventory Branch, was used for estimating timber volumes for all existing coniferous and deciduous stands. Managed deciduous stand volumes were also modeled using VDYP volume estimates.
- The table interpolation program for stand yields (TIPSY), developed by the B.C. Ministry of Forests, Research Branch was used to estimate timber volumes for existing and future managed stands as follows. In keeping with the standard set in TSR 2, all future stands and stands currently less than 50 years old, (except for alder analysis units) were assigned to a managed stand yield curve.

Utilization Levels

- All stands will require a minimum top diameter inside bark (DIB) of 10cm and a maximum stump height of 30cm.
- Stands using the VDYP model used a 17.5 minimum dbh
- Stands using the TIPSY model used a 12.5 minimum dbh

Analysis Units

To facilitate modeling of stand growth and expected harvesting and silvicultural treatments, stands are grouped by leading tree species and site productivity; these groups are called analysis units (AUs). The TSR2 analysis unit definitions were used as a starting point to group stands for developing yield curves. As the stands in this community forest are not representative of the stands at the TSA level, new yield curves were developed.

Table 9 details how the area in the community forest area was grouped into the TSR2 analysis units. Analysis units suffixed with "EM" describe existing managed stands in the plan area.

³ In 2000, Northwest Hardwoods (a subsidiary of Weyerhaeuser) purchased Coast Mountain hardwoods. This has resulted in an increased interest in the supply of alder from tenures in the area, for the alder sawmill in Delta. This expectation of alder supply from the community forest to the Delta sawmill is the basis for retaining some of the deciduous area in the analysis.

Table 9. Analysis units and average site index for Existing Stands

AU Name	AU No	Future AU	Area Weighted SI	THLB area
Fir, G/M	101	201	32.8	974.7
Fir, P	103	203	22.6	459.0
Other ⁴	105	205	25.0	62.4
Hw/Ba, G/M	106	206	23.7	149.3
Hw/Ba, P	107	207	19.1	366.2
Fir - EM	501	501	23.6	1,688.1
HemBa - EM	502	502	22.5	665.1

Management Assumptions

Minimum Harvest Age

The minimum harvest ages used in this analysis will be consistent with the methodology used in TSR2. The minimum harvestable age for stands in each analysis unit will be set to the greater of:

- The estimated age for the stand to reach the required stand volume;
- The age at which the stand achieves a specified minimum mean diameter at breast height; or
- The age at which the stand achieves 90% of the maximum mean annual increment (MAI)

Table 10. Minimum harvest age criteria⁵

Analysis Unit species	Site Index	Minimum Criteria			MAI (m ³ /ha/year)
		Age (years)	Diameter(cm)	Volume (m ³ /ha)	
All species	All	N/A	25	300	90% of MAI

Harvest Scheduling Priorities

Harvesting will be scheduled to select the relative oldest stands first in each operating area. All eligible stands in an operating area were harvested before the next operating area was considered. Operating areas were prioritized by District staff at the beginning of the analysis process.

Unsalvaged Losses

Unsalvaged losses due to fire and wind for the Arrowsmith TSA translate to a 0.6 percent loss over the entire TSA based on the figures provided in the September 2001 Timber Supply Area Analysis Report. This amount was modeled as an additional harvest to recognize unsalvaged timber lost as a result of natural disturbances on the THLB each year and is subtracted from all harvest forecasts shown in this report.

Silviculture Systems

All harvesting will be modeled as clearcutting and no thinning of stands was modeled.

⁴ This analysis unit captures small components of cedar, cypress and alder leading stands.

⁵ Figures based in the East Division of the Arrowsmith TSA

Silviculture Assumptions

Assumptions for regeneration method, regeneration delay, initial density and species composition can be found below in Table 11. These assumptions are the same as those used in TSR2. Once harvested stands move from their respective natural analysis (100 series) unit to the corresponding future stand analysis unit (200 series) described in Table 11.

Table 11. Regeneration assumptions by analysis unit

			OAFs		Method		Species %							Density	
Analysis unit	AU Number	Regen delay	1	2 ^a	Type	%	Gain ⁷	Fd	Cw	P w	Ba Bg	Hw	Dr	Initial	Final
Douglas-fir — G/M	201	2	15	5	Plant	100	2.7	75	10	5	10			1200	700
Douglas-fir — P	203	3	15	5	Plant	100	2.7	70	10	10		10		1200	700
Other — good/medium/poor site	205	2	15	5	Plant	100	1.3		58		12	30		1000	900
Hemlock/balsam — good/medium site	206	2	15	5	Plant	100	1.9		20		10	70		1000	800
Hemlock/balsam — poor site	207	3	15	5	Plant	100	1.9		20			80		1000	N/A

Standard OAF1 (15%) and OAF2 (5%) values were used for all existing managed and future managed stands with the following exceptions:

- Root diseases⁸:
 - An additional OAF2 of 7.5% was applied to existing managed stands ≥10 years old if they were Douglas-fir leading and on good and medium sites, in the CWHxm1 and CWHxm2 sub zones.
 - An additional 5% was applied to future managed and existing managed stands <10yrs old if they were Douglas-fir leading on good and medium sites, in the CWHxm1 and CWHxm2 sub zones.

Other

There are approved forest development plan blocks within the bounds of the proposed plan area. These blocks have been included in the community forest using current age classes and will contribute volume toward the CFA's AAC. It is assumed that the community forest will likely acquire the rights to these areas as part of the agreements between existing licensees and the provincial government⁹.

⁵ Additional OAF2 values were applied for root disease as described immediately below this table.

⁷ Using the figures determined in TSR 2, the gains noted will be included in the volume tables for future regenerated stands – figure represents % volume gain at age 80.

⁸ Additional information not provided in the TSR documents regarding variants and additional OAF factors provided by Stephan Zelgan ministry of forests pathologist.

⁹ Emma Neil, Tenures Forester, South Island Forest District

Integrated Resource Management

Forest cover requirements stipulating specific seral stage targets are applied in this model to manage for biodiversity, wildlife habitat, scenic values, community watersheds and cutblock adjacency.

Green Up Constraints

As a surrogate for cut block adjacency, a maximum 25% of the THLB in any LU in the CFA may be in stands that are less than 3 meters tall. Site Tools version 3.3 was used to translate this height requirement to an age of 15 years. This represents a total age of 13 years based on a Fir leading stand with a site index of 25.0 meters¹⁰, and an average regeneration delay of 2 years. This constraint is only applied to the THLB area.

Community Watersheds (CWS)

The majority of the Port Alberni CFA area falls within the Sproat Lake community watershed, the exception being the parcel located directly East of the City of Port Alberni boundary. Consistent with TSR2, a forest cover constraint will be applied to the crown forest area limiting the area under 5 yrs old to 5% (i.e. limit harvest to 1% of the CFLB per year). Because 10 yr periods were modeled in this analysis, the constraint applied in the model was maximum 10% under 10 yrs (ie. Max 1% per year).

Visual Quality - Scenic Areas

Management for visual quality is consistent with TSR2 standards and limited the area in visual polygons less than 5 meters tall to between 3 and 25 percent depending on the visual quality objective and scenic zone (see Table 14). Site Tools version 3.3 was used to translate the 5 m height requirement to an age of 18 years. This represents a total age of 16 years based on a Fir leading stand with an average site index of 25.0 meters, and an average regen delay of 2 years.

Table 12. Visual quality objectives

VQO	Zone	Green-up height (m)	Maximum allowable area not greened-up (%)
R	1	5	3
PR	1	5	10
M	1	5	20
R	2	5	5
PR	2	5	15
M	2	5	25

Landscape Level Biodiversity

Spatially explicit OGMAs for this area were provided by MSRM and have been excluded from harvesting during the simulation. These OGMAs satisfy the targets established in the old growth order of June 2004. Therefore, additional old seral management constraints are not required for this exercise.

Wildlife Tree Retention

Wildlife tree retention will be modeled as a 2.25% volume netdown applied to both existing and future stands in the contributing land base. The rationale for applying 2.25% is that 75% of the gross WTR target¹¹ of 9% will be met by forested areas already outside the timber harvesting land base.

¹⁰ Original 6 zone landbase had a weighted SI of 24.3

¹¹ A Weyerhaeuser review of South Island Forest District WTP targets has confirmed that this is appropriate.

Results

Projected Harvest Flow

The results of the timber supply modeling simulations indicate that an initial average harvest volume of 23,458 m³/yr is sustainable for the first 9 decades of the 250 year planning horizon. This figure can be increased steadily after the 9th decade to a long term average harvest level of 25,822 m³/yr. Figure 4 illustrates the harvest volumes achieved, net of non-recoverable losses, for the 250 year planning horizon. The slight over achievements seen in some decades is a result of the spatial model being forced to harvest whole polygons until the harvest request is met or exceeded.

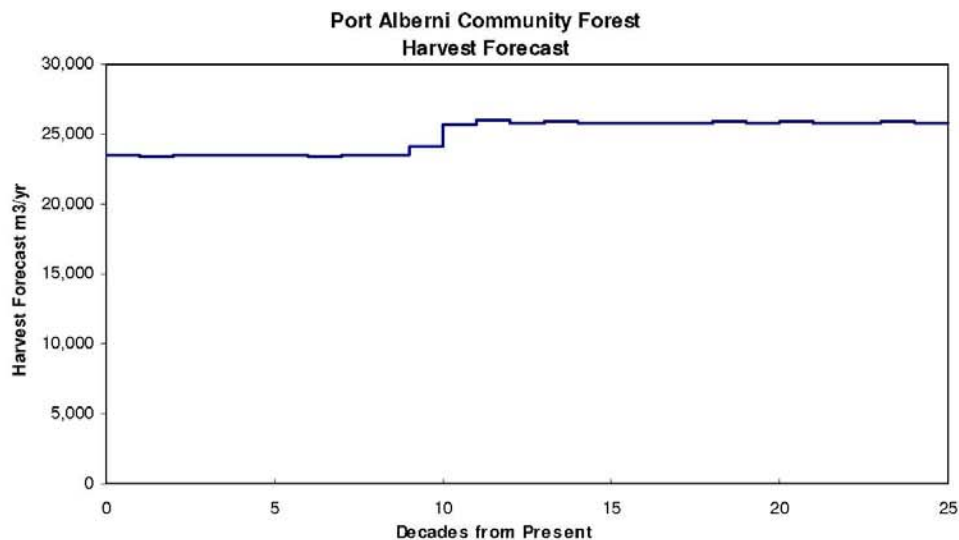


Figure 4. Harvest volumes projected over the 250 year planning horizon

The short term harvest level is limited primarily by the amount of past harvesting activity and the forest cover constraints applied to the community watershed and partial retention VQO areas. There is reasonable harvest opportunity in the initial years of the planning horizon but this volume must be metered out over the first 9 decades until second growth stands are fully online. Harvest opportunity is most limited during the 2nd and 3rd decades. The long term harvest level is 10% higher than this initial level and occurs once second growth stands begin to dominate the harvest profile. These stands provide more flexibility in meeting limiting forest cover constraints and tend to produce more volume per hectare.

Growing Stock

Figure 5 illustrates the total and merchantable volume of timber occurring on the THLB over the 250 year planning horizon. Total volume is the net volume (considering utilization standards and decay/waste/breakage) of all stands. The merchantable volume is the subset of total volume where stands meet minimum harvest age criteria. The merchantable stock decreases initially as the currently merchantable stands are logged and then climbs in 40-100 year time period as the large area of currently young stands comes online. The generally flat trend from decade 12 onward indicates that harvest rates are close to matching growth rates and a sustainable harvest level is occurring.

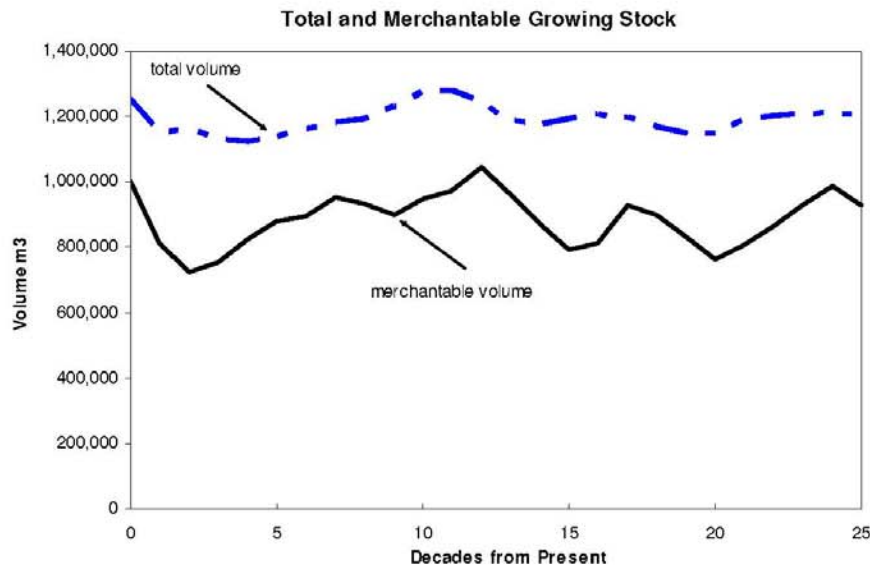


Figure 5. Total and Merchantable growing stock on the THLB

Average Harvest Age

Figure 6 illustrates the average harvest ages over the planning horizon. The spike evident in the 8th decade is a result of the model harvesting a substantial amount of very old low site productivity hemlock sites during this period.

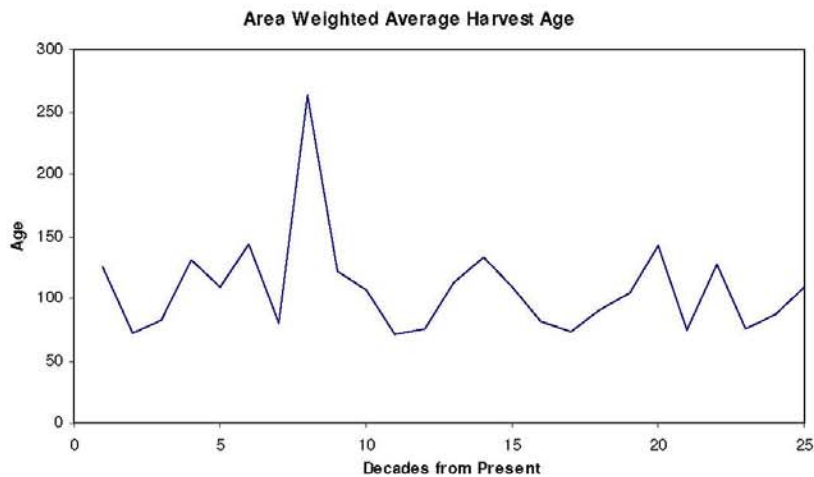


Figure 6. Area Weighted Harvest Age

Natural and Managed Stand Composition

Figure 7 illustrates the transition from natural to managed stands. Managed stands are first harvested in the 2nd decade and continue to contribute significantly to the harvest volume from that point onward. They almost completely dominate the harvest after decade 10. The transition to managed stands is slowed down by the harvest priority setup in the model – all eligible stands in each operating area were harvested before moving to the next operating area. Thus, some younger stands were being harvested before eligible older stands because of their location.

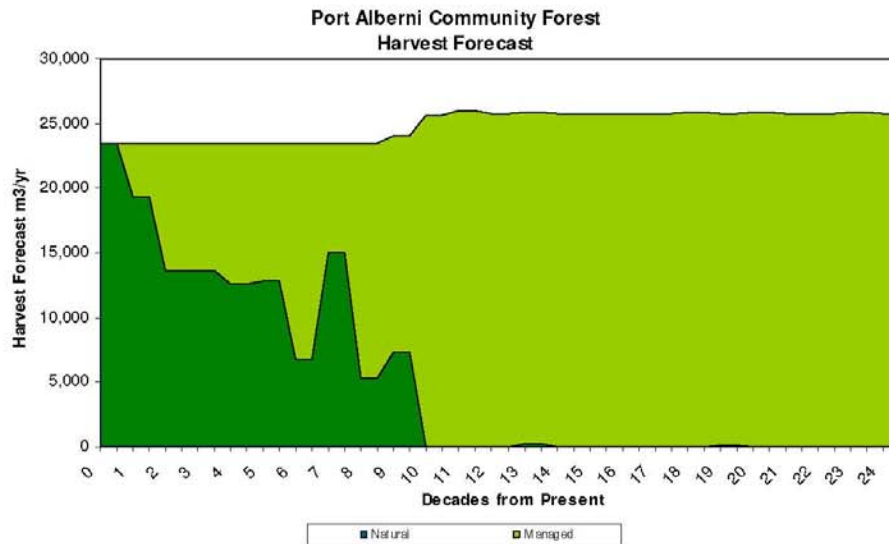


Figure 7. Natural and managed Stand Contributions to Harvest Profile

Average Harvest Volume

Figure 8 illustrates the average harvest volume per hectare realized in each decade of the simulation. Harvest volumes realized in different periods of the simulation correspond with different site productivity characteristics encountered on the CFA land base. In periods where low productivity sites are drawn into the average, the average declines. The higher peaks occurring in the latter stages of the simulation are due to the higher volumes associated with managed stands compared to unmanaged stands. During the first 100 years the average volume per hectare is 526 m³/ha compared to the remainder of the planning horizon which averages 585 m³/ha.

Average Annual Harvest Area

The average annual harvest area exhibits an inverse relationship with harvest volume per hectare. As the volume realized per hectare increases, fewer hectares are required to fulfill the harvest objective and vice versa. Figure 9 illustrates the average annual harvest area as it fluctuates over time. During the first 100 years the average area harvested is 45.9 ha compared to the remainder of the planning horizon which averages 45.8 ha while supporting a slightly higher annual volume of harvest.

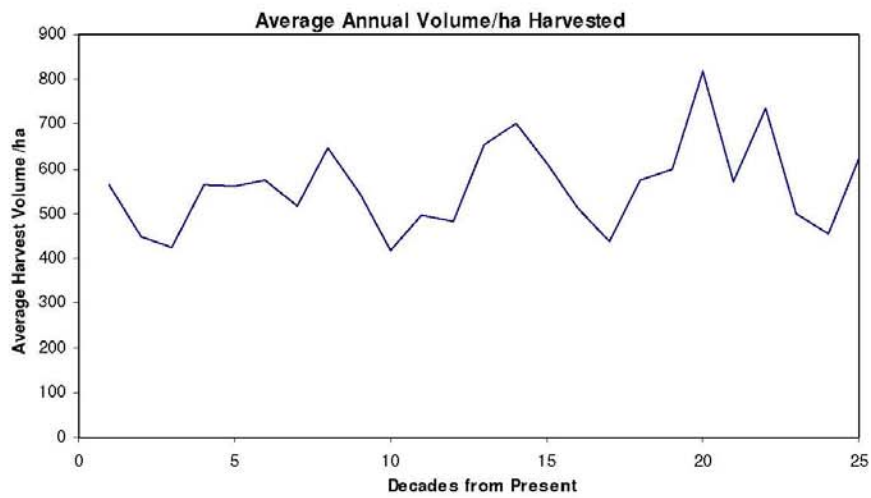


Figure 8. Average Annual Volume/ha Harvested

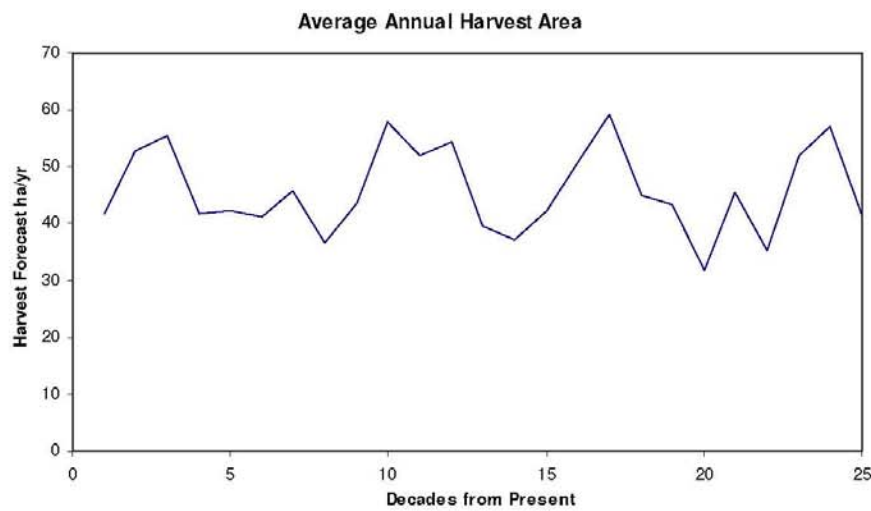


Figure 9. Average Annual Harvest Area

Age Class Distribution

Figure 10 illustrates 50 year time steps of the age class distribution as it occurs over the 250 planning horizon. The present condition (year 0) shows a heavy weighting towards young and mid seral stands, many of which do not meet minimum harvest age requirements. This condition is one of the limiting factors defining the short term harvest level.

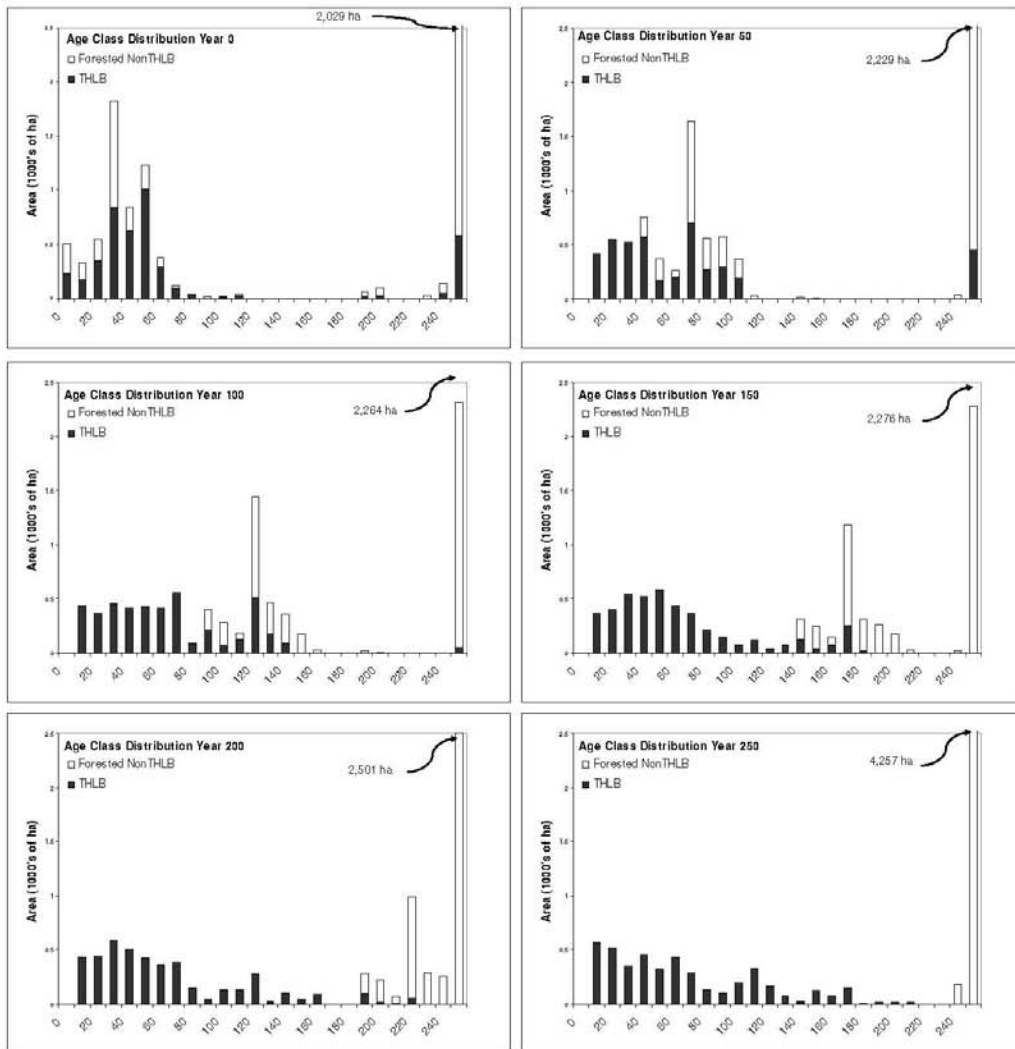


Figure 10. Age Class Composition over Time of the Port Alberni Community Forest

By the 100th year there is a much more uniform distribution of area in age classes on the THLB. This corresponds with the point in time where the long term harvest level is achieved. At 250 yrs into the simulation, very little THLB area occurs in older age classes because it is all cycling within rotation ages averaging approximately 100 years old. A small amount of THLB area exists in older ages because forest cover constraints force them to remain unharvested.

The forested area outside the THLB continues to age over the planning horizon and is all old by the end of the planning horizon.

Constraint Analysis

There are several constraints applied to the contributing land base to address forest management issues and objectives. These management objectives limit disturbance or maintain appropriate levels of specified forest types that are required to satisfy visual quality, biodiversity and other attributes at specified levels. Old seral requirements were met using spatial OGMA's (811 ha) that were netted out of the THLB (see Table 5). The area affected by each of these constraints is illustrated in Figure 11.

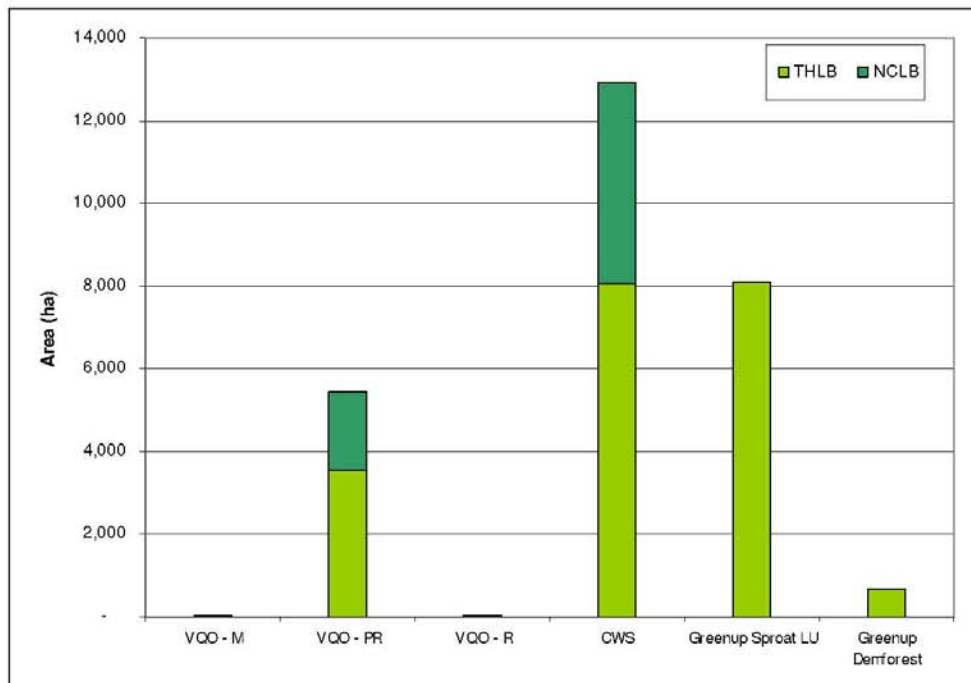


Figure 11. Integrated Resource Values: Area Summary by Objective

Young seral constraints, those which limit the portion of the land base under a certain height have the largest impact on this analysis in the short and long term. The young seral constraints modeled in this simulation are green-up, visual quality, and the Sproat Lake Community Watershed (CWS). The CWS constraint is the most extensive and limiting constraint.

Contribution of Helicopter Wood

The contribution to the harvest flow from helicopter volume typically ranges between 0 and 19 percent as illustrated in Figure 12. A spike occurs in the 8th decade where it represents 31% of the harvest volume.

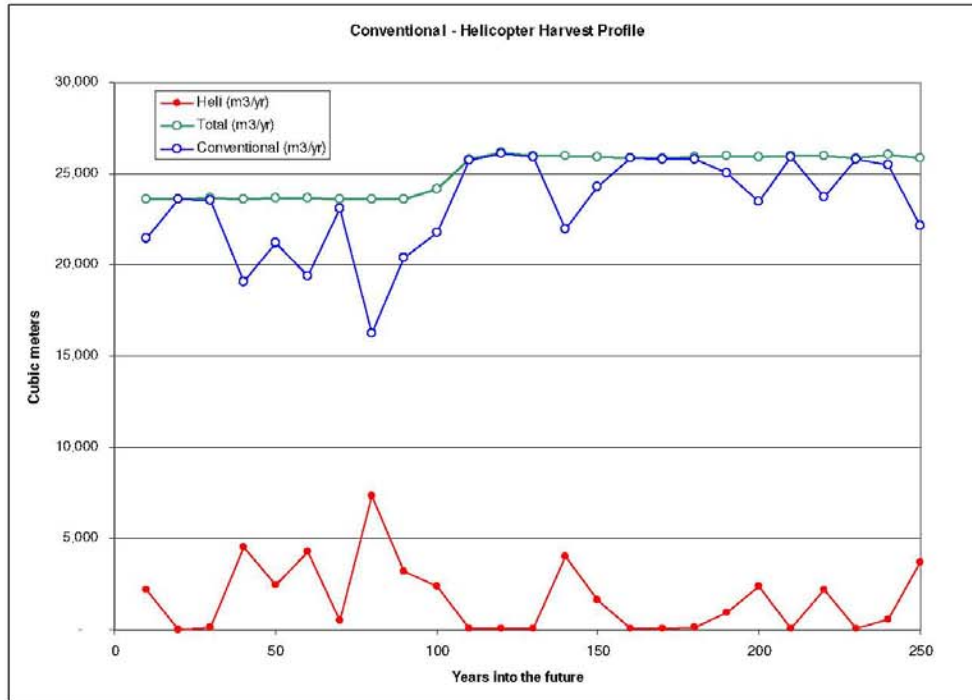


Figure 12. Conventional – Helicopter harvest profile.

Short Term Harvest Availability

This report presents an initial average harvest flow of 23,458 m³/year. The area 'harvested' during the first 20 years in the modeling exercise is illustrated spatially in Figure 13 using two 10 year periods. This should not be construed as an operational plan but it does illustrate areas considered high priority and available for harvest by the model. Figure 13 also illustrates "Other Available Options" which represent other stands which were available or became available during the 20 year period (consistent with the current harvest priorities). Initial harvesting in the CFA is unlikely to follow the mapped projection but the areas illustrated do provide a starting point for more detailed planning.

Harvest availability is limited in the initial stages of the planning horizon for this community forest. The initial condition of the CFA has 10% of the plan area less than 21 years old and 75% of the plan area is less than 61 years old. Fortunately, the minimum harvest ages for many sites in this CFA are quite low and this initial condition requires a relatively short time to overcome.

Table 13 details harvest volumes by analysis unit during the first 50 years of the planning horizon. Fir analysis units dominate the profile which is to be expected considering the species composition of the CFA. Table 3 indicates that the bulk of the older stands are actually hemlock/balsam but these areas tend to occur in the most western operating areas and are the lowest priority, thus the model does not harvest there in the short term. Because of the harvest priority setup, there is significant spatial

concentration of harvest in the highest priority operating areas. This is not likely to occur in reality but there are additional options available (as shown on map), and even more additional options available if the harvest priority setup were to be changed.¹²

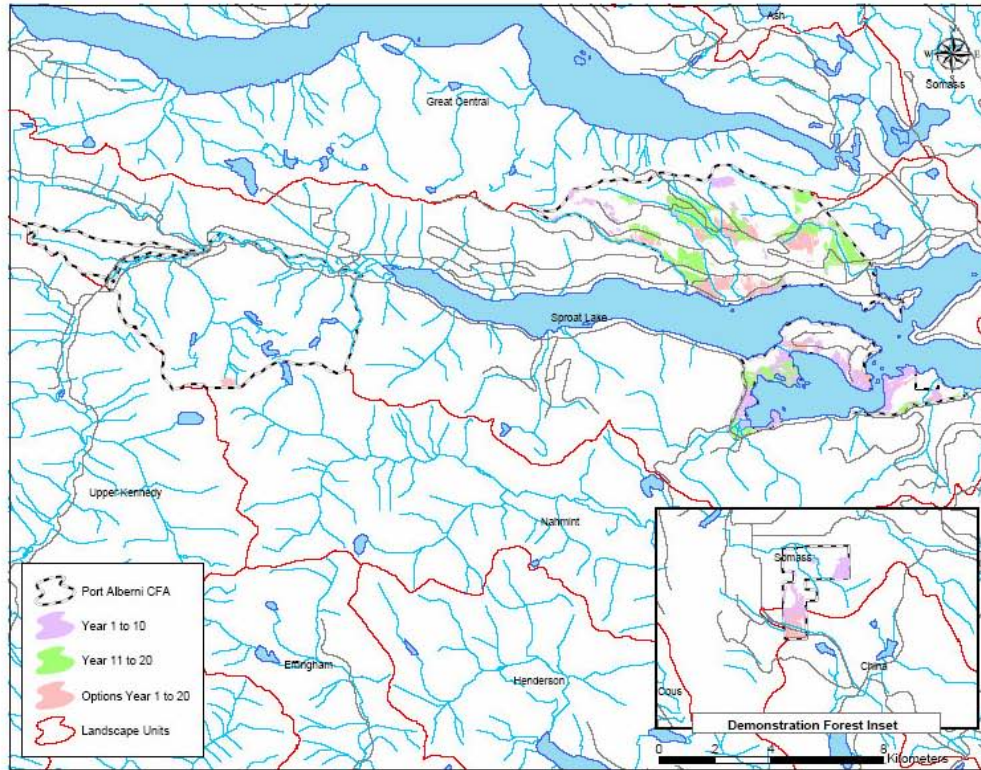


Figure 13. Harvest Availability in years 1 to 20

Table 13. Analysis unit volume summary

Analysis Unit	Avg Harvest Volume/yr by Period				
	Yr 1-10	Yr 11-20	Yr 21-30	Yr 31-40	Yr 41-50
Fd G/M	14,991	16,349	7,930	6,004	9,450
Fir Poor	3,326	2,346	5,564	-	9
HB GM	578	-	-	7,597	2,771
HB P	4,042	610	248	50	-
Other	680	192	-	9	430
Fd EM	-	4,080	8,704	6,781	5,497
HB EM	-	-	1,200	3,172	5,483
Total	23,618	23,578	23,649	23,616	23,643

¹² The available options shown here are based on the operating area/oldest first priority system. If a pure oldest first priority system were to be implemented, the old HB stands in the western operating areas would be considered available because the model would rank these stands before younger stands in the east. There are more stands that are old enough to harvest than can actually be harvested when the cover constraints are considered, thus the spatial location of these 'available' stands is partially dictated by harvest priorities.

Revised Community Forest Attribute Summary:

The revised Community Forest landbase covers 7,871.1 ha. Removing private land brings the gross area down to 7,375.3 ha. The contributing landbase for the proposed area totals 6,102.9 ha (82.7% of the total area) and the timber harvesting landbase is 3,836.7 ha (62.9% of the contributing area). Table 14 below details the gross area by BEC variant. This THLB is 88% of that used in the original analysis.

Table 14. BEC variant classification for the total CFA area.

AT	CWHmm1	CWHmm2	CWHvm1	CWHvm2	CWHxm1	CWHxm2	MHmm1	Total (ha)
55	1,221	973	1	1,172	911	2,031	1,013	7,375

Table 15 details the distribution of the THLB area by leading species group and the site index associated with the group. The weighted average site index for this land base is 26.3 which is 5.2% higher than in original analysis. Had the landbase not been modified by excluding the area illustrated in Figure 14 the corresponding weighted average site index would have been 26.8 which is 7.2% higher than in the original analysis.

Table 15. Revised THLB by species group and site index.

Site Index	Hectares by Leading Species Group				
	FD	HBS	C	Decid	Total
6.1-11	10.3	-	-	-	10.3
11.1-16	50.5	9.6	2.1	3.2	65.4
16.1-21	286.0	332.7	13.6	-	632.4
21.1-26	1,005.5	154.7	4.2	6.1	1,170.6
26.1-31	833.5	570.0	-	2.8	1,406.3
31.1-36	456.7	10.9	-	1.3	468.9
36.1-41	70.4	12.5	-	-	82.9
>41	-	-	-	-	-
Total	2,712.9	1,090.3	20.0	13.4	3,836.7
Percent of Total:	70.7	28.4	0.5	0.4	

Table 16 describes the THLB area in terms of leading species and age class. Figure 15 illustrates the age class distribution on both the Crown Forested Land Base and the THLB. Figure 16 illustrates the spatial distribution of the age classes associated with the THLB.

Table 16. THLB Area by leading species and age class

Age Class	Hectares by Leading species				
	FD	HBS	C	Decid	Total
0-20	130.1	252.1	5.3	-	387.5
21-40	922.6	269.3	-	4.6	1,196.5
41-60	1,447.5	133.1	4.4	3.8	1,588.8
61-80	77.6	-	-	2.6	80.2
81-100	-	-	-	-	-
101-120	35.4	-	-	2.3	37.7
121-140	-	-	-	-	-
141-250	26.4	38.2	-	-	64.6
250+	73.5	397.7	10.2	-	481.5
Total	2,712.9	1,090.3	20	13.4	3,836.7
Percent of Total:	70.7	28.4	0.5	0.4	

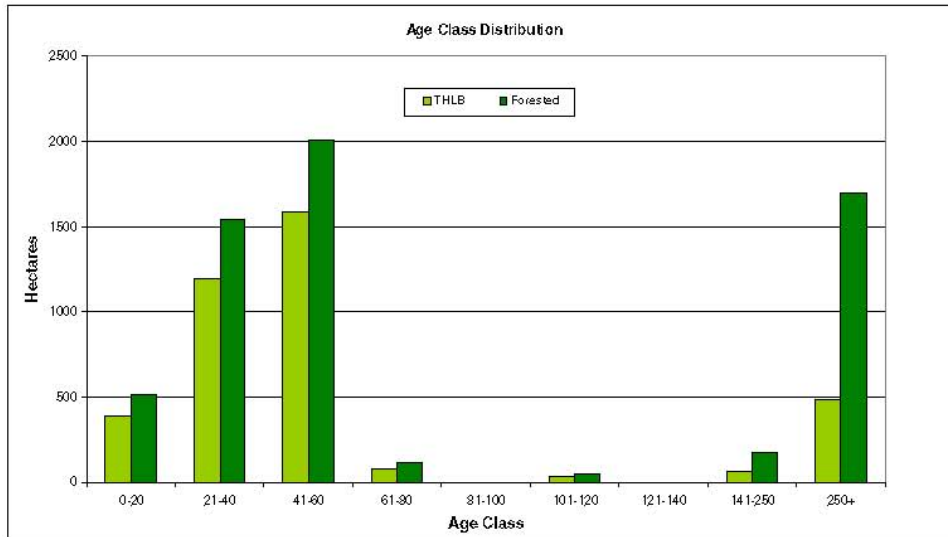


Figure 15. Age class distribution for revised landbase

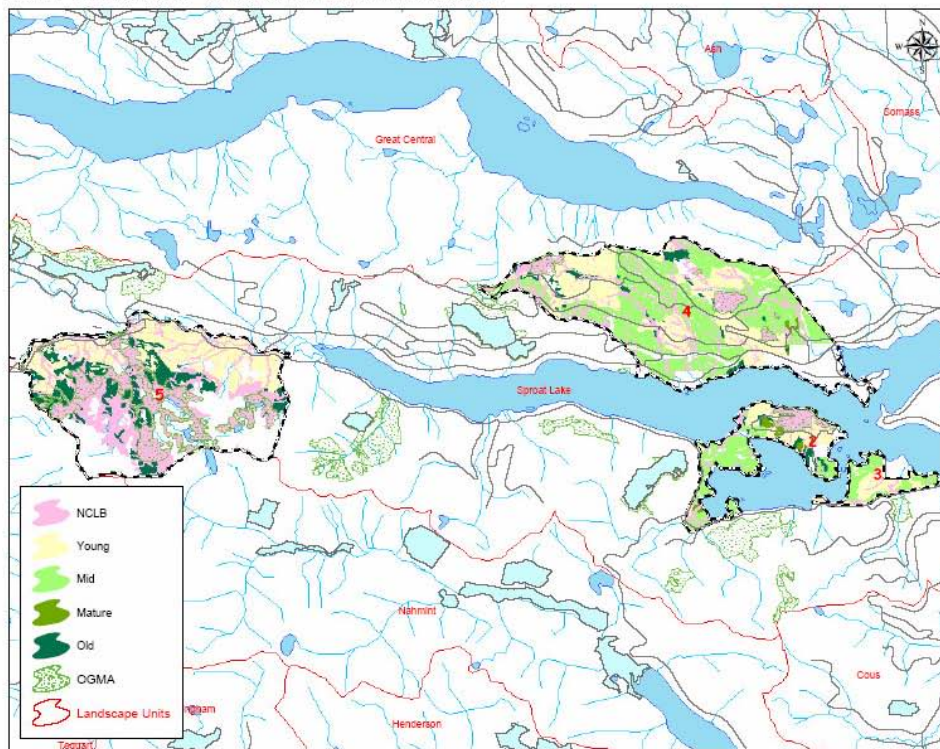


Figure 16. Port Alberni community forest THLB distribution by age class group

Revised Land Base Definition

The timber harvesting land base (THLB) derivation is shown in Table 17 and described below. In many instances, polygons could have been removed by several netdown factors but netdown areas were only attributed to the predominate factor to avoid double counting. Areas were always assigned to the netdown reason occurring highest on the list.

Table 17. Timber harvesting land base definition.

Classification	Area (hectares)	Percent of total area	Percent of CFLB area
Gross Area of CFA¹⁴	7,375.3	100.0	
Non productive	(1,099.3)	14.9	
Existing Roads	(173.0)	2.3	
Total Crown Forest Land Base	6,102.9	82.7	100.0
Reductions to Crown Forest			
OGMAs	811.0	11.0	13.3
Riparian Reserves	761.3	10.3	12.5
Economically Inoperable	218.4	3.0	3.6
High recreation value	271.8	3.7	4.5
Environmentally Sensitive Areas	156.7	2.1	2.6
Physically Inoperable	47.2	0.6	0.8
Total productive forest exclusions	2,266.2	30.7	37.1
Timber Harvesting Land Base	3,836.7	52.0	62.8

Modeling THLB

The TSA area has been removed in the figures above along with a portion of zone 5 as indicated earlier. The remainder of the landbase assumptions are unchanged; refer to that section for a description of each of the attributes and netdown methodology.

Growth & Yield Assumptions

Site Index

This supplemental analysis applies the biophysical and cruise site index values as is described in the TFL 44 information package for management plan 4. Specifically "cruised site index is used where a valid cruise had been undertaken (measured age and tree height), generally for stands greater than 31 years and less than 120 years total age. This application of different site index values results in changes to the weighted site index for each analysis unit. The revised values are reported in Table 18 and compared to the original values (area weighted SI). The changes in site index result in different yields from each of the analysis units. The yield curves are compared in Table 19 by contrasting the values at 100 years on each of the curves with the respective adjusted volume figure calculated using the biophysical site index.

Table 18. Analysis units and average site index for Existing Stands

AU Name	AU No	Future AU	Area Weighted SI	Area Weighted BSIM	THLB area
Fir, G/M	101	201	32.8	30.9	705.9
Fir, P	103	203	22.6	24.5	387.2
Other ¹⁵	105	205	25.0	22.4	33.4
Hw/Ba, G/M	106	206	23.7	27.5	136.5
Hw/Ba, P	107	207	19.1	26.0	305.5
Fir - EM	501	501	23.6	25.7	1,619.8
HemBai - EM	502	502	22.5	23.8	648.3
Totals			24.7	26.3	3,836.6

¹⁴ Figure is net of private land (495.8 ha)

¹⁵ This analysis unit captures small components of cedar, cypress and alder leading stands.

Table 19. Yield curve volumes at age 100

Unmanaged Stands			Managed Stands		
Analysis Unit	Volume at 100 Years (m ³ /ha)	Revised Volume at 100 Years (m ³ /ha)	Analysis Unit	Volume at 100 Years (m ³ /ha)	Revised Volume at 100 Years (m ³ /ha)
101	769	724	201	900	831
103	415	512	203	468	569
105	452	435	205	930	752
106	620	779	206	754	970
107	409	681	207	415	872
			501	519	630
			502	703	785
Wtd Average	592	662 (+12%)		619	719 (+16%)

Results

Projected Harvest Flow

The results of the timber supply modeling simulations (BSIM – revised landbase) indicate that an initial average harvest volume of 22,063 m³/yr is sustainable for the first 11 decades of the 250 year planning horizon. This figure can be increased after the 11th decade to a long term average harvest level of 23,335 m³/yr.

Figure 17 illustrates the harvest volumes achieved, net of non-recoverable losses, for the 250 year planning horizon. The slight over achievements seen in some decades is a result of the spatial model being forced to harvest whole polygons until the harvest request is met or exceeded. These figures are averages over the time periods described, net of non-recoverable losses, based on a harvest request of 22,100 m³/yr and 23,400 m³/yr respectively. Had the landbase not been modified for this analysis the short term harvest level would have been 25,426 m³/yr and the long term harvest level would have been 28,467 m³/yr.

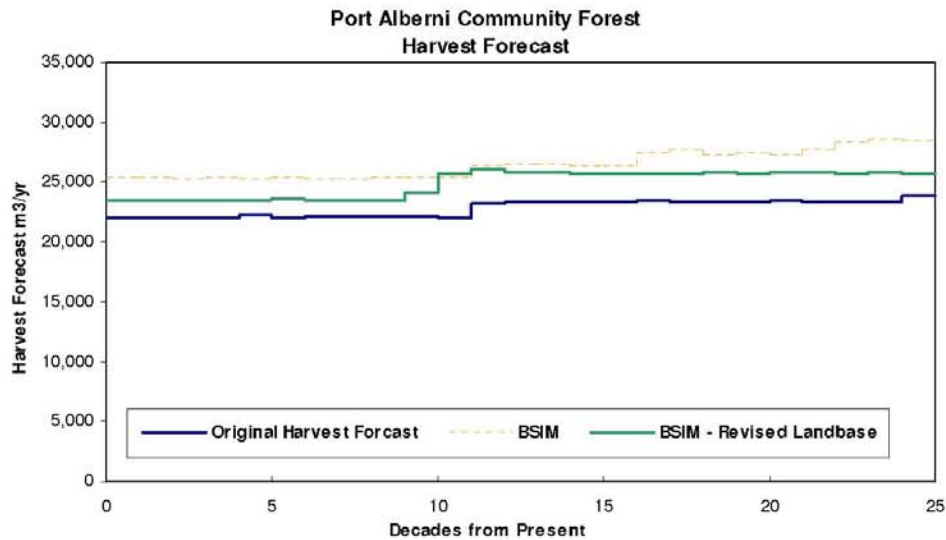


Figure 17. Harvest volumes projected over the 250 year planning horizon

The short term harvest level is limited primarily by the amount of past harvesting activity and the forest cover constraints applied to the community watershed and partial retention VQO areas. There is reasonable harvest opportunity in the initial years of the planning horizon but this volume must be metered out over the first 9 decades until second growth stands are fully online. Harvest opportunity is most limited during the 9th decade which determines the sustainable harvest flow for the periods leading up to that point. The long term harvest level is 5.8% higher than this initial level and occurs once second growth stands begin to dominate the harvest profile. These stands provide more flexibility in meeting limiting forest cover constraints and tend to produce more volume per hectare.

Growing Stock

Figure 18 illustrates the total and merchantable volume of timber occurring on the THLB over the 250 year planning horizon. Total volume is the net volume (considering utilization standards and decay/waste/breakage) of all stands. The merchantable volume is the subset of total volume where stands meet minimum harvest age criteria. The merchantable stock decreases initially as the currently young stands come online. The merchantable stock decreases initially as the currently young stands come online. The generally flat trend from decade 9 onward indicates that harvest rates are close to matching growth rates and a sustainable harvest level is occurring.

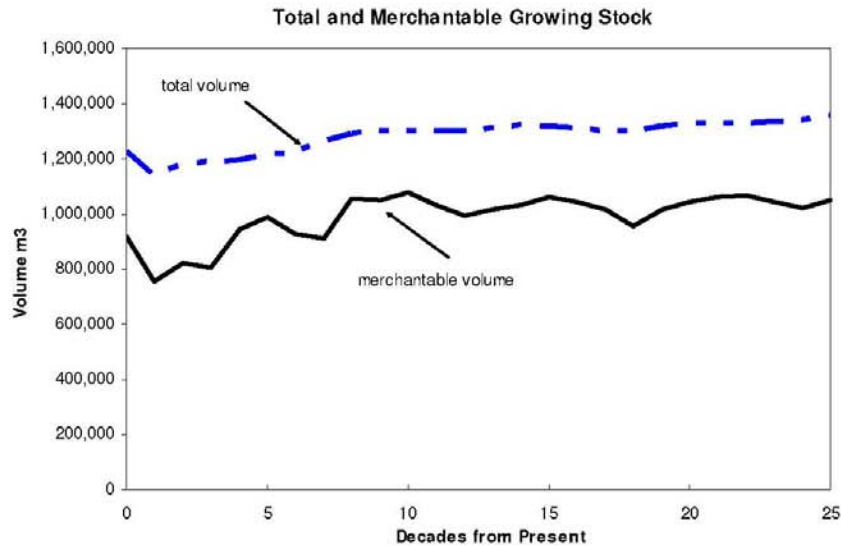


Figure 18. Total and Merchantable growing stock on the THLB

Average Harvest Age

Figure 19 illustrates the average harvest ages over the planning horizon.

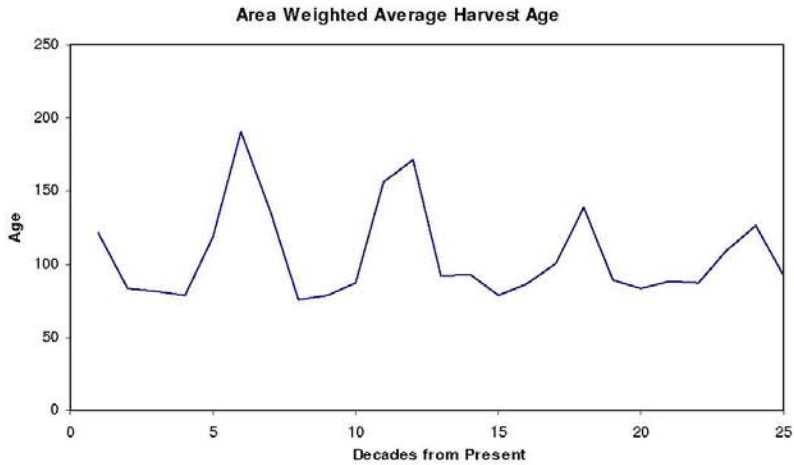


Figure 19. Area Weighted Harvest Age

Natural and Managed Stand Composition

Figure 20 illustrates the transition from natural to managed stands. Managed stands are first harvested in the 2nd decade and contribute significantly to the harvest volume from that point onward. The transition to managed stands is slowed down by the harvest priority setup in the model – all eligible stands in each operating area were harvested before moving to the next operating area. Thus, some younger stands were being harvested before eligible older stands because of their location.

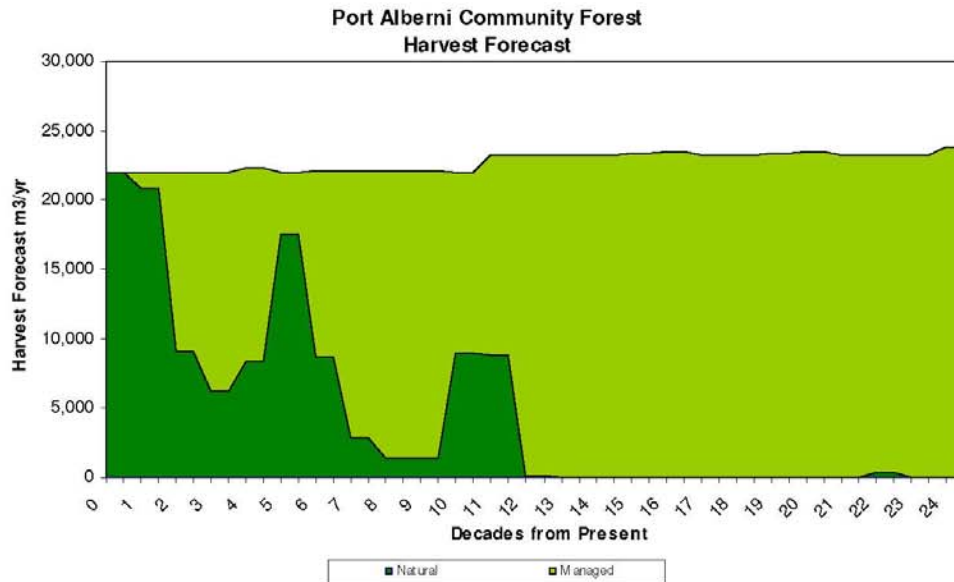


Figure 20. Natural and Managed Stand Contributions to Harvest Profile

Average Harvest Volume

Figure 21 illustrates the average harvest volume per hectare realized in each decade of the simulation. Harvest volumes realized in different periods of the simulation correspond with different site productivity characteristics encountered on the CFA land base. In periods where low productivity sites are drawn into the average, the average declines. The higher peaks occurring in the latter stages of the simulation are due to the higher volumes associated with managed stands compared to unmanaged stands. During the first 100 years the average volume per hectare is 567 m³/ha compared to the remainder of the planning horizon which averages 609 m³/ha.

Average Annual Harvest Area

The average annual harvest area exhibits an inverse relationship with harvest volume per hectare. As the volume realized per hectare increases, fewer hectares are required to fulfill the harvest objective and vice versa. Figure 22 illustrates the average annual harvest area as it fluctuates over time. Peaks occur as lower productivity analysis units are drawn into the harvest profile to meet the harvest objective. For instance in the 8th and 9th decade the poor site analysis units contribute substantially to meeting the harvest objective.

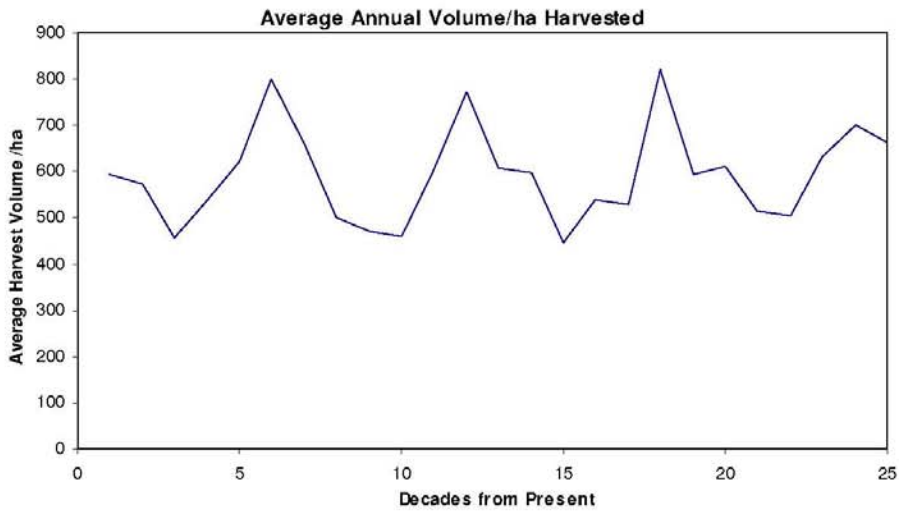


Figure 21. Average Annual Volume/ha Harvested

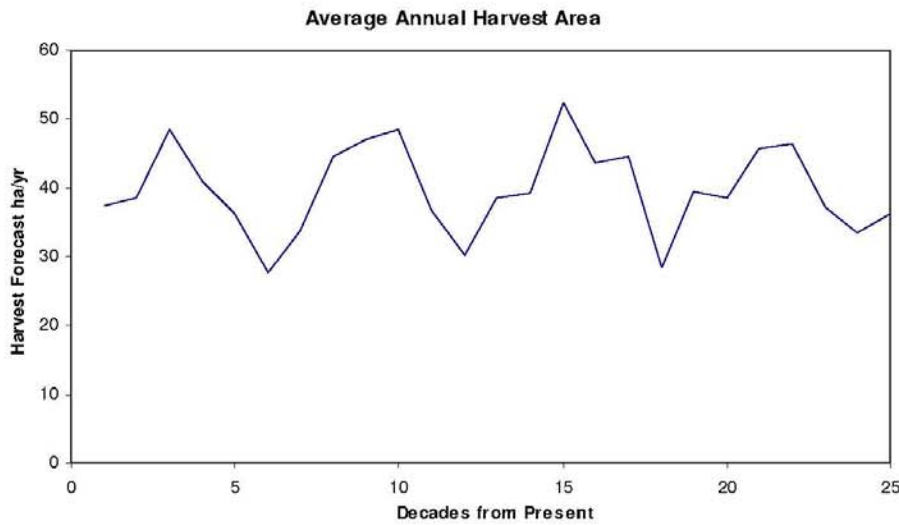


Figure 22. Average Annual Harvest Area

Age Class Distribution

Figure 23 illustrates 50 year time steps of the age class distribution as it occurs over the 250 planning horizon. The present condition (year 0) shows a heavy weighting towards young and mid seral stands, many of which do not meet minimum harvest age requirements. This condition is one of the limiting factors defining the short term harvest level; the stands presently in the 0-20 group are underrepresented resulting in the pinch point in the 9th decade.

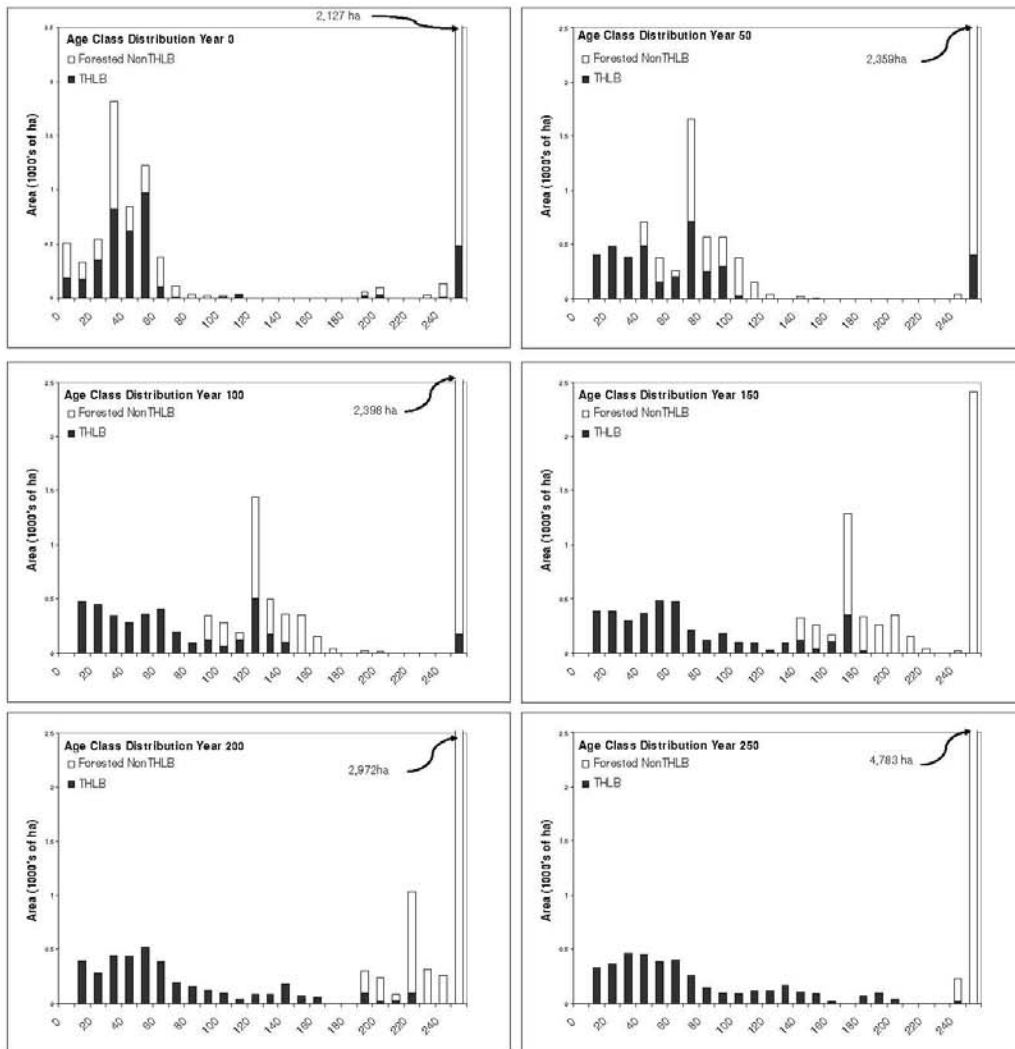


Figure 23. Age Class Composition over Time of the Port Alberni Community Forest

By the 100th year there is a more uniform distribution of area in age classes on the THLB. This corresponds with the point in time where the long term harvest level is achieved. At 250 yrs into the simulation, most THLB area occurs in younger age classes because it is cycling within rotation ages averaging approximately 100 years old. A portion of the THLB area exists in older ages because forest cover constraints force longer rotations to occur.

The forested area outside the THLB continues to age over the planning horizon and is all old by the end of the planning horizon.

Constraint Analysis

There are several constraints applied to the contributing land base to address forest management issues and objectives. These management objectives limit disturbance or maintain appropriate levels of specified forest types that are required to satisfy visual quality, biodiversity and other attributes at specified levels. Old seral requirements were met using spatial OGMA's (811 ha) that were netted out of the THLB (see Table 17). The area affected by each of these constraints is illustrated in Figure 24.

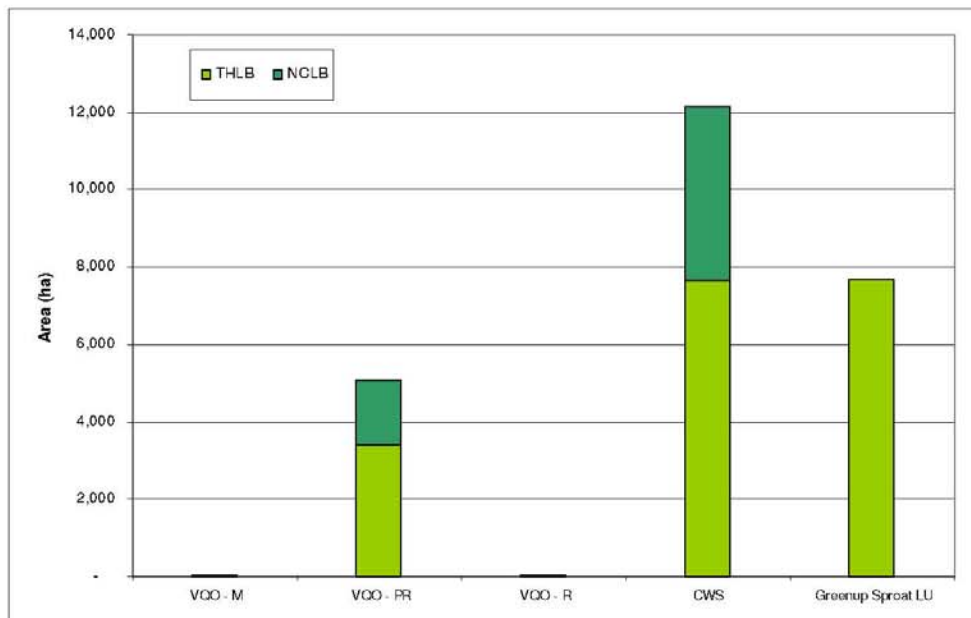


Figure 24. Integrated Resource Values: Area Summary by Objective

Young seral constraints, those which limit the portion of the land base under a certain height have the largest impact on this analysis in the short and long term. The young seral constraints modeled in this simulation are green-up, visual quality, and the Sproat Lake Community Watershed (CWS). The CWS constraint is the most extensive and limiting constraint.

Contribution of Helicopter Wood

The contribution to the harvest flow from helicopter volume ranges between 0 and 30 percent as illustrated in Figure 25.

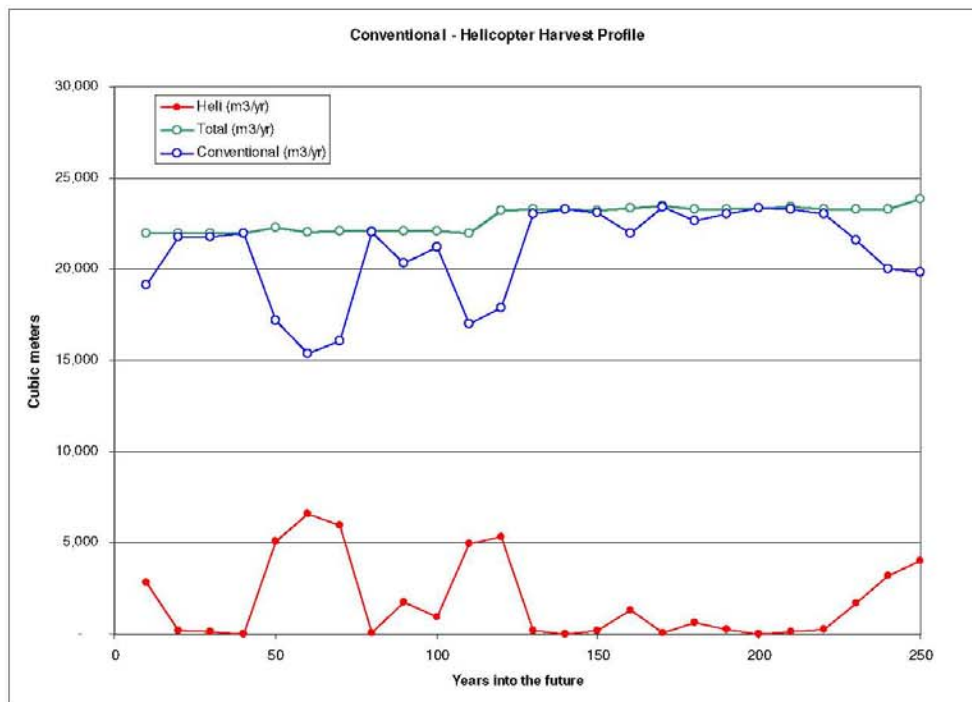


Figure 25. Conventional – Helicopter harvest profile.

Short Term Harvest Availability

This supplemental analysis presents an initial average harvest flow of 22,063 m³/year. The area 'harvested' during the first 20 years in the modeling exercise is illustrated spatially in Figure 26 using two 10 year periods. This should not be construed as an operational plan but it does illustrate areas considered high priority and available for harvest by the model. Figure 26 also illustrates "Other Available Options" which represent other stands which were available or became available during the 20 year period (consistent with the current harvest priorities). Initial harvesting in the CFA is unlikely to follow the mapped projection but the areas illustrated do provide a starting point for more detailed planning.

Harvest availability is limited in the initial stages of the planning horizon for this community forest. The initial condition of the CFA has 10% of the plan area less than 21 years old and 83% of the plan area is less than 61 years old. Fortunately, the minimum harvest ages for many sites in this CFA are quite low and this initial condition requires a relatively short time to overcome.

Table 20 details harvest volumes by analysis unit during the first 50 years of the planning horizon. Fir analysis units dominate the profile which is to be expected considering the species composition of the CFA. Table 16 indicates that the bulk of the older stands are actually hemlock/balsam but these areas tend to occur in the most western operating areas and are the lowest priority, thus the model does not harvest there in the short term. Because of the harvest priority setup, there is significant spatial concentration of harvest in the highest priority operating areas. This is not likely to occur in reality but

there are additional options available (as shown on map), and even more additional options available if the harvest priority setup were to be changed.¹⁶

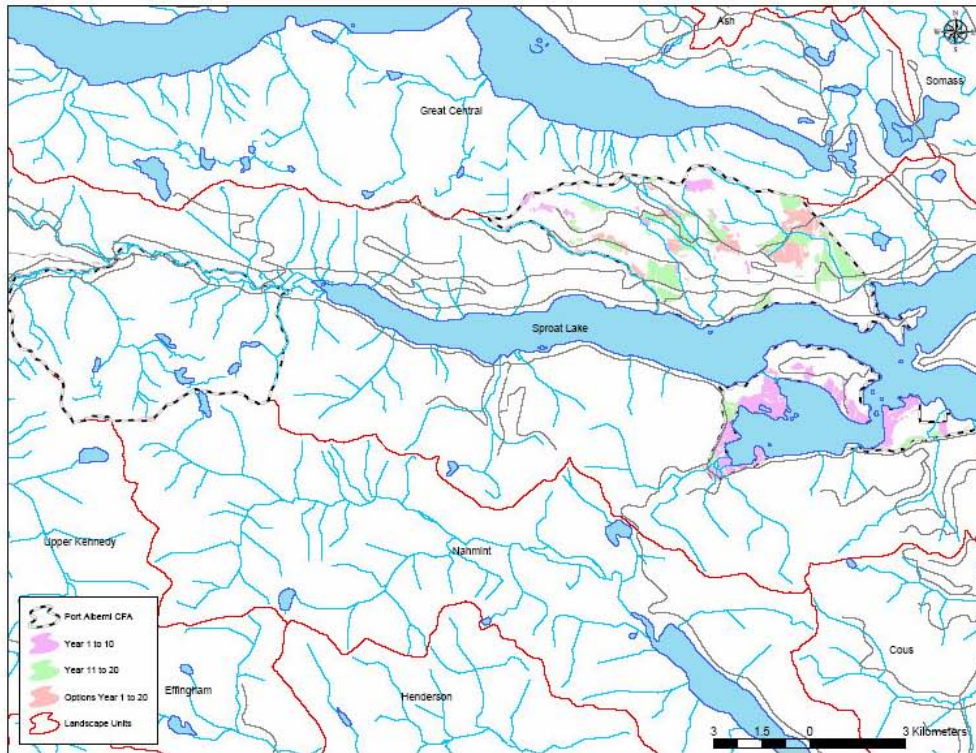


Figure 26. Harvest Availability in years 1 to 20

Table 20. Analysis unit volume summary

Analysis Unit	Avg Harvest Volume/yr by Period				
	Yr 1-10	Yr 11-20	Yr 21-30	Yr 31-40	Yr 41-50
Fd G/M	10,444	17,271	1,816	6,177	2,283
Fir Poor	4,945	1,628	6,875	-	11
HB GM	685	-	-	-	6,099
HB P	5,176	1,746	345	-	-
Other	701	197	-	-	-
Fd EM	-	1,122	12,911	10,801	7,513
HB EM	-	-	-	4,987	6,372
Total	21,952	21,966	21,949	21,968	22,282

¹⁶ The available options shown here are based on the operating area/oldest first priority system. If a pure oldest first priority system were to be implemented, the old HB stands in the western operating areas would be considered available because the model would rank these stands before younger stands in the east. There are more stands that are old enough to harvest than can actually be harvested when the cover constraints are considered, thus the spatial location of these 'available' stands is partially dictated by harvest priorities.

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Port Alberni CFA: Alternate Landbase III Harvest Flow

This report is a supplemental document to the *Port Alberni CFA Timber Supply Analysis Report (April 15, 2005 based on the BSIM Appendix)*. Port Alberni Forest District staff requested that this third alternative harvest flow scenario be examined based on a reconfigured landbase. This analysis looked at 2 alternative configurations of the landbase pictured below.

For the purpose of conducting this alternative flow analysis all of the assumptions used in the foregoing analysis were assumed to apply without modification. Woodlot 1902 is also illustrated. The area affected by the woodlot has been removed from the productive area of the proposed community forest plan area.

For this analysis the landbase has been reduced to include only the area illustrated in areas 1, 4 and 5 in scenario 1 and areas 4 and 5 in scenario 2. These areas are illustrated in Figure 1 below; areas 2 and 3 illustrated here no longer contribute to the harvest volume in either of the scenarios examined.

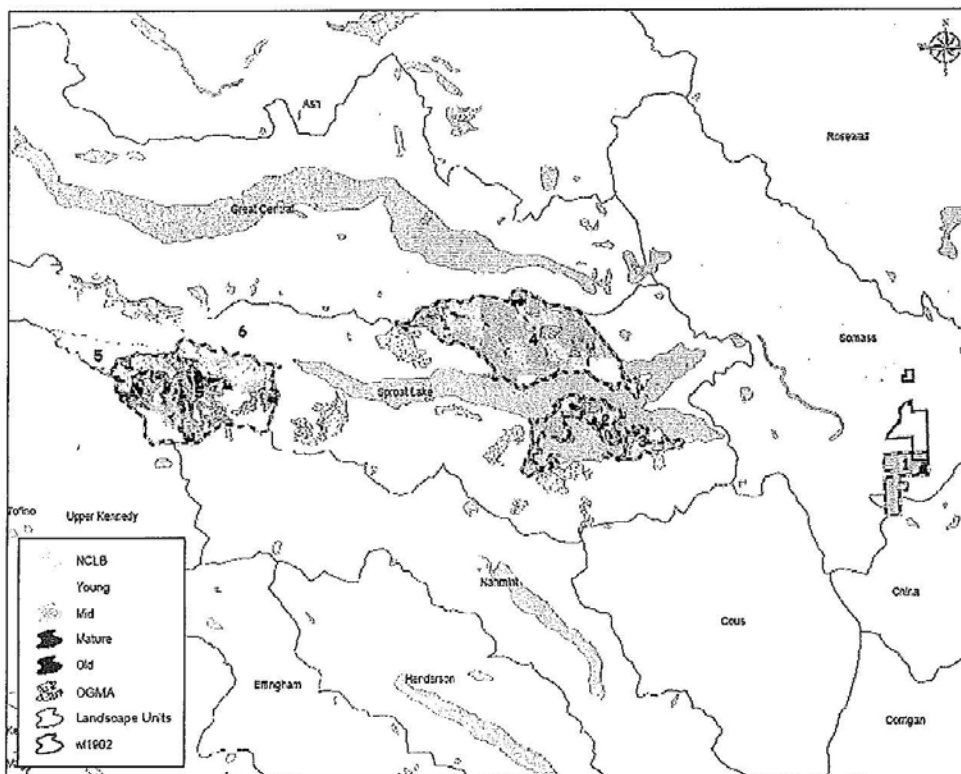
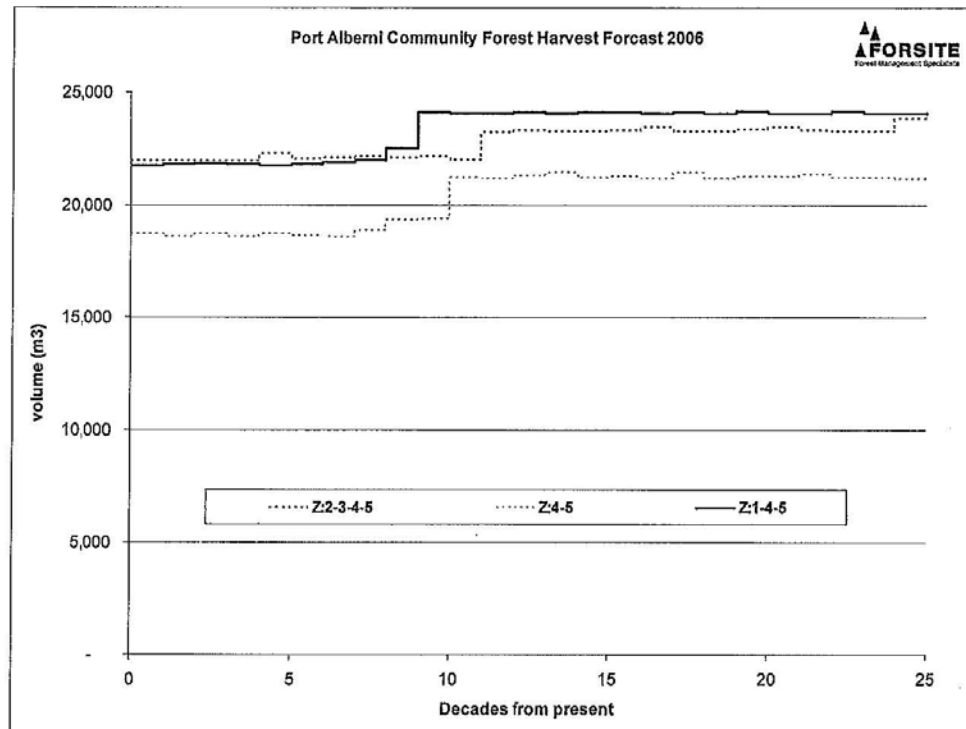


Figure 1. Port Alberni Alternate Landbase



*Zone 5 has been reduced in size from its original configuration in the March 8, 2005 report

Figure 2. Port Alberni Alternative Harvest Flow

Scenario:	Landbase		
	Zones: 1/4/5 (Scenario 1)	Zones: 4/5 (Scenario 2)	Zones: 2/3/4/5 (Original)
Total (ha)	7,258.2	6,815.1	7,375
THLB (ha)	3,513.6	3,210.8	3,836.7
NCLB (ha)	2,070.2	1,934.5	2,256.9
Short Term Harvest (m ³ /yr)	21,840	18,688	22,063
Long Term Harvest (m ³ /yr)	24,095	21,263	23,355

In scenario 1 (zones 1, 4 and 5) support a harvest similar to the original analysis completed using zones 2, 3, 4, and 5. In fact the long term harvest level of scenario 1 is higher in spite of the landbase being smaller. This occurs because the productivity of the sites in zone one is much higher than those in zones 2 and 3. Zones 2 and 3 have an average site index of 27.1 while in zone 1 the average site index is 34.0. Zones 2 and 3 are also more constrained by visual quality objectives than zone 1.

Also notable is the fact that the transition point to the long term harvest level in scenario 1 occurs sooner, this is because the higher productivity stands reach harvest age sooner facilitating the transition sooner.



NEWS RELEASE

For Immediate Release
2004FOR0059-000833
Oct. 15, 2004

Ministry of Forests

PORT ALBERNI GAINS COMMUNITY FOREST OPPORTUNITY

PORT ALBERNI – Today MLA Gillian Trumper and Forests Minister Michael de Jong extended an invitation to the City of Port Alberni to apply for a community forest agreement, bringing economic benefits and control of local forest resources to the city and Alberni valley region.

“This government is following through on its commitment to put local resources into the hands of local communities,” said Trumper. “Forestry is central to the island’s economy – today’s invitation is a great opportunity for Port Alberni and the entire Alberni valley region.

“We are now seeing tangible benefits of the Forestry Revitalization Plan and timber reallocation, as we give communities more control of their local resources,” said de Jong. “This will create employment, provide a timber supply for local mills and value-added operations, and allow communities to direct revenues back to where they’re needed most.”

The City of Port Alberni has been invited to apply for a probationary community forest licence, providing about 20,000 cubic metres of timber annually.

“This is a great opportunity for our community,” said Port Alberni Mayor Ken McRae. “By drawing on the substantial expertise of Port Alberni’s forestry community, we will provide local employment and generate revenues that will help build our economy.”

Community forest agreements are a mechanism by which the Province transfers decision-making to communities that wish to more fully participate in their local forest resource stewardship. Community forest tenures are area-based, giving the holders exclusive stewardship of an area of forest land over the term of the agreement. The probationary agreements are for five years, at which time they may be extended for another five years or replaced with a long-term agreement of 25 to 99 years. Since July 2004, government has provided community forest opportunities for eight communities across the province.

For more information on this community forest agreement and other ministry programs visit:
<http://www.gov.bc.ca/for/> online.

-30-

1 backgrounder(s) attached.

Media Don McDonald
contact: Communications Director
Ministry of Forests
250 387-8486

Visit the Province's website at www.gov.bc.ca for online information and services.

BACKGROUNDER

2004FOR0059-000833
Oct. 15, 2004

Ministry of Forests

COMMUNITY FORESTS IN B.C.

A community forest is a forestry operation managed by a local government, community group or First Nation for the benefit of the community.

Community forests help communities diversify their local forest economies. Operations usually hire and buy supplies locally, offer logs to local manufacturers and practise innovative sustainable forest management. These are area-based tenures, which allow communities to manage harvesting operations as well as other values like trails and recreation sites, wildlife, water supply and viewsapes.

As part of its plan to revitalize the forest economy, government is reallocating 20 per cent of long-term replaceable logging rights held by major licensees and redistributing that timber to communities, First Nations, woodlot operators and BC Timber Sales to support a market-based pricing system. Approximately 300,000 cubic metres will go to communities to establish community forest agreements. Timber reallocation will open up new opportunities for communities to use their forestry and business experience to manage forest resources in their area.

The community forest agreement was created in response to calls from communities for greater control over their local forest resources. B.C. has several community forest pilot agreements, ranging from 418 to 60,860 hectares. This agreement was given a "pilot" designation to allow government a fixed period in which to assess the program's success. Government recently instituted the community forest agreement as a bona fide form of tenure and, as of September 17, will no longer issue "pilot" agreements, but will instead issue "probationary" agreements.

Probationary community forest agreements carry a five-year term to allow both communities and the ministry an assessment period. If successful, the agreement-holder may be offered a long-term community forest agreement, which carries a term of 25-99 years and is replaceable every 10 years. Community forests are assessed from a number of perspectives, including:

- Forest practices, environmental standards and compliance.
- Return to the province in the form of revenues and landbase improvements.
- Economic self-sufficiency.
- Sound management across all resources.

In July 2004, government deposited a new community tenures regulation, which allows the Minister of Forests to directly invite a community to apply for a probationary community forest agreement. The direct invitation will be extended, for example, where there is likely only one applicant in the area where the tenure is available, or where a community currently holds another form of tenure and wishes to convert it to a community forest. Direct invitations to apply will also be made to communities that have a critical need for the opportunity or where a long-standing land use conflict can be solved.

-more-

- 2 -

Whether a community forest is directly or competitively awarded, the proponent must submit a proposal that includes a solid business plan and demonstrates community support and a commitment to sustainable forest management.

-30-

Media Don McDonald
contact: Communications Director
 Ministry of Forests
 250 387-8467

Visit the Province's website at www.gov.bc.ca for online information and services.

Alberni Valley NEWS

City moves into forestry



By Heather Reid Alberni Valley News

Jun 08 2007

Port Alberni is closer to having a little piece of the forest to call its own.

Pending provincial government approval, city council's community forest plan would give the town the rights to manage 18,000 cubic metres of standing timber in two areas around Sproat Lake and Taylor River.

Community forest agreements involve a transfer of decision-making powers from the province to municipalities that want to participate in local forest resource stewardship. The B.C. model stems from a global movement toward community involvement in forestry operations that encompass cultural, economic and ecological values of the land.

Darren Hiller, of DRH Forest Consulting, said the project isn't licensed yet, but that "it's going to go forward." DRH is preparing the forestry plan for the city's application.

At the moment, Hiller said the plan is waiting on an announcement about second-growth harvesting expected from Forests Minister Rich Coleman.

On May 24, Coleman indicated that a new set of policies was coming soon — policies that the minister said will shift forestry from old-growth forests to second-growth trees.

Coleman also claimed that the changes in B.C. forestry policies will limit raw log exports.

Hiller said that's good news for the proposed Port Alberni Community Forest, which has smaller Douglas fir suitable for saw logs.

"The profits seem to be in second-growth," he said.

Port Alberni was invited to apply for its own slice of forest in 2004. Gillian Trumper, who was the MLA at the time, said that, "any vision for a community forest is a long-term project." Communities hoping for jobs and revenue have to realize that it takes time, Trumper said.

At a council meeting in mid-May, Mayor Ken McRae said the city is looking at 13 cut blocks in an area that is suitable for year-round logging.

"We expect to be ready for logging next spring and we will be using the highest logging standards under the Canadian Standard Association," McRae said.

Coun. Jack McLeman said that a board of directors selected from the community will oversee forest practices in the community forest. "That's the next step," he said, indicating that the board will include a broad spectrum of interests.

Hiller said that, at a minimum, logging methods on the land will adhere to the current forest practices legislation.

"It's in a community watershed," Hiller added, explaining that another layer of standards comes into play to protect riparian zones.

McLeman says that the intent is to use local contractors and process here as much as possible.

McLeman just returned from the B.C. Community Forest Association annual conference in McBride. "I learned quite a bit," McLeman said. Both McLeman and Hiller said they're looking at existing projects from which to glean ideas.

McLeman said that the McBride Community Forest Corporation generated \$1.4 million last year.

McLeman said he took notes on the Harrop-Procter Community Forest in the Kootenays, too. They implemented an ecosystem-based plan with value-added strategies to maximize community benefits.

The operation ruled out CSA and ISO certification (held by logging giants like Western Forest Products, and TimberWest) in favour of the strictest eco-certification under the Forest Stewardship Council.

Formed in 1999, the community forest in the Kootenays now produces products ranging from organic herbs to flooring, which can be purchased directly on their website (www.hpcommunityforest.org).

"If the price of wood is good, we'll probably make a few bucks," McRae said.

In the long term, McRae estimates that the community forest could provide the municipality with annual revenues in the range of \$250,000, which would provide working capital for community projects.

– With files from Francisco Canjura

Consultant picked for community forest license

Shayne Morrow

Alberni Valley Times

Thursday, June 14, 2007

Council has voted to retain DRH Consulting to complete a community forest license for the City of Port Alberni.

In February, council hired the firm to perform a viability study, at a cost of \$18,300, of a total proposal of \$47,313 to complete the entire package. Last week, the community forest advisory committee met to review the initial study.

The committee expressed its concerns over provincial forest minister Rich Coleman's May 25 comments concerning changes to regulations for harvesting old growth forest.

The city will now write the minister calling for clarification, although Mayor Ken McRae said it's a non-issue.

"I spoke with the minister, and he assured me it's not going to have any effect on our operation," McRae said.

The city will also write to Ministry of Forests district manager Trish Balcaen, indicating acceptance of the land base currently offered for the community forest, which is located in Sproat Lake electoral area. On that note, Sproat Lake regional director Penny Cote will be invited to join the community forest advisory committee.

The city will now press the ministry to live up to its original offer of a community forest with an annual allowable cut (AAC) of 22,000 cubic metres per year.

That offer was made in July, 2004, by then-forest minister Mike de Jong.

More recently, in October, 2006, Balcaen advised that a harvesting area had been selected, indicating "a potential AAC of approximately 18,688 cubic metres a year and a long-term harvest level of 21,263 cubic metres per year."

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CLOSE WINDOW

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CITY OF PORT ALBERNI

City Hall
4850 Argyle Street
Port Alberni, B.C. V9Y 1V8
Tel. (250) 723-2146 Fax: (250) 723-1003

Media Release August 16, 2007 Port Alberni BC For Immediate Release

263 Years of Combined Experience Makes a Community Forest Grow

The City of Port Alberni announces that it is proceeding with community consultation to prepare a business and management plan for the Port Alberni Community Forest.

For four years Port Alberni Mayor Ken McRae and City Manager Ken Watson have been working to obtain a Community Forest License for the Alberni Valley. The seed for the project was planted in 2003 when Franklin Forest Products owner Pat McKay went to the Mayor looking for a consistent source of wood for his mill. Since that time the dream of a community forest has flourished in the minds of the seven Port Alberni and Sproat Lake residents who today form the Community Forest Advisory Board. The combined environmental, forest, and business management experience of the Advisory Board and the consulting team hired to prepare the application for the scrutiny of the Ministry of Forest and Range is 263 years. That level of expertise is a sure-fire prescription to make the Community Forest a successful business and forest management venture for the City of Port Alberni.

The Advisory Board's vision of the Community Forest is that it will be an example of forest practices that are sensitive to non-timber forest values and a model of forest stewardship, while generating revenue for the community. The license will permit the harvesting of a projected 18,000m³ annually from a proposed area situated north and west of Sproat Lake, bringing control of forest resources and economic benefit to the Port Alberni community.

Since 2004 the valley's business environment has changed, with economic diversification outside of the forest industry. "I am hopeful that the community will support this endeavour mainly as a means to generate funding for community projects in the Alberni Valley" says Mayor McRae.

The next step for the Advisory Committee is to guide the Community Forest through an application process to obtain a licence from the Ministry of Forest and Range. The application process requires documentation of community awareness and support for the licence, and the preparation of a business and management plan.

Community consultation begins with public outreach to solicit community involvement and find out how the community wants to manage the forest area. The City of Port Alberni is hosting a web site for the community forest. "This is an exciting initiative for the City and the website is a very professional site that should be a useful means of sharing info and involving the public," says Russell Dyson, City Clerk. The site (www.communityforest.ca) contains maps of the proposed area, frequently asked questions, forest management documents, news releases and bulletins, and most importantly, a community survey.

In addition to the website, Advisory Committee members will be on hand to answer questions and solicit comments at the Alberni District Fall Fair, September 6-9 and at open houses on September 17th at City Hall and September 18th at Sproat Lake Community Hall.

For additional information on the Port Alberni Community Forest, contact:

Ken Watson, City Manager
250-720-2824
Email: ken_watson@portalberni.ca
www.communityforest.ca

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Resident's Input Needed For Community Forest

Date 2007/8/17 0:10:00 | Top ic: Port Alberni News

By Westcoaster.ca Staff

The City of Port Alberni has announced it will be proceeding with community consultations to prepare a business and management plan for the Port Alberni Community Forest. A press release from the City of Port Alberni states the Community Forest Advisory Board wishes to obtain a licence for the community forest. But, in order for the Ministry of Forest and Range to issue a licence, the board must create a business and management plan that includes community input and support.

"The licence will permit the harvesting of a projected 18,000m³ [of timber] annually from a proposed area situated north and west of Sproat Lake, bringing control of forest resources and economic benefit to the Port Alberni community," said the release.

The advisory board wants the community forest to set an "example of forest practices that are sensitive to non-timber values and a model of forest stewardship, while generating money for the community."

Mayor Ken McRae said he hopes this initiative moves forward.

"I am hopeful that the community will support this endeavour mainly as a means to generate funding for community projects in the Alberni Valley."

The release states the combined environmental, forest and business management experience of the advisory board and the consulting team hired to prepare the licence is 263 years.

"That level of expertise is a sure-fire prescription to make the community forest a successful business and management venture for the City of Port Alberni," said the release.

Community consultation will begin with public outreach to find out how the community wants to manage the forest area.

For more information visit www.communityforest.ca.

The advisory board will also be present to answer questions at this year's Alberni District Fall Fair Sept. 6 to 9.

This article comes from Westcoaster.ca

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<http://www.westcoaster.ca/modules/AMS/article.php?storyid=2481>

City launches community forest blitz

By SHAYNE MORROW
AV Times

The campaign to create a Port Alberni Community Forest has kicked into the next stage, with the announcement of a community consultation process.

The city has announced it will hold a pair of open house events next month, as well as taking part in major public events, to gather feedback from the community.

That's on top of an on-line survey now available on the City of Port Alberni website (www.city.port-alberni.bc.ca), according to city clerk Russell Dyson.

"The whole idea of a community forest is that it responds to the needs of the community," Dyson told the *Times* last week.

To that end, the two-page survey calls on participants to rank the importance of a multitude of factors, such as recreational values, employment, wildlife habitat and views-capes, he explained.

"Another area will be consultation with First Nations," Dyson said. "Hupacasath and Tseshaht both have experience in managing woodlands, through woodlots and through the private sector."

The campaign to obtain a community forest license began four years ago, when Franklin Forest Products owner Pat McKay began consultations with Mayor Ken McRae on securing a consistent source of timber for his mill. Speaking to the *Times* late Friday, McRae said it's required a great deal of persistence,



The provincial Ministry of Forests has identified two blocks of standing timber in the former MB Sproat Lake Division, which could become part of the Port Alberni Community Forest.

dealing with the provincial forest ministry.

"At first, they said, 'No No No - not going to happen,'" McRae said Friday. "Then it began to change about two years ago."

The ministry has now identified two blocks of timber in the former MacMillan Bloedel Sproat Lake Division which, under a community forest license, could provide about 18,000 cubic metres of wood annually.

"The minister originally proposed 22,000 cm³, but the land base looks more like 18 (thousand), to be sustainable," Dyson said.

Sustainability is a major concern for Sproat Lake director Penny Cote, in whose district the timber is located.

"I was just appointed to the Advisory Committee a few months ago, so I'm just getting up to speed," Cote said.

Cote said her involvement began when a group of Sproat Lake residents expressed their concerns over logging operations within the district.

"They encouraged me to become involved in this process," Cote said. "Our residents aren't against logging, but they want to see it sustainable

and environmentally-friendly. Right now, there is a lot of logging going on next to residential areas that's not - that's why our residents are so concerned."

Cote noted that, in the old MB days, local governments had no say in forestry management. And with the loss of appurtenancy clauses on public forests, which mandated local processing for local timber, it's become more important to maintain as much control as possible over the remaining forest base, she said.

"Community forest' can also mean not logging it," Cote said. "The dynamics in the industry have all changed, with a lot of mills shutting down. The goal is to maintain local jobs by making sure these logs go to mills in our area."

"We're not going to make big bucks on it, but the money will be used to support projects in the community - the whole community," McRae said.

The city will be hosting an open house in council chambers on Sept. 17, and at Sproat Lake Community Hall on Sept. 18. The Advisory Committee will be maintaining a booth at the Alberni District Fall Fair, Sept. 6 through 9, during the annual general meeting of the South Island Woodlot Association, which will be held at Glenwood Centre, from Sept. 27 through 30.

"We'll be there on Sept. 29," Dyson said.

You can check out the Port Alberni Community Forest project by logging on to www.communityforest.ca. There is a link to the survey on the home page.

AT

MONDAY, AUGUST 20, 2007

Alberni Valley **NEWS**

Now's the public's chance to have input on forest idea

Aug 24 2007

Port Alberni's own piece of the forest has been carved out and now the city would like people's input as to how to use it.

There is a survey on the City of Port Alberni's website (city.port-alberni.bc.ca) asking for input on every aspect of the community forest.

A hard copy of the survey can also be obtained from City Hall.

The survey is designed to gauge community support for the initiative and ascertain how individuals and groups are willing to help.

Everyone is welcome to attend the Community Forest open houses from 2-8 p.m. on Monday, Sept. 17 at City Hall and Tuesday, Sept. 18 at Sproat Lake Community Hall.

reporter@albernivalleynews.com

City Sees Light On Community Forest

Date 2007/9/14 0:10:00 | Topic: Port Alberni News

By Florentia Scott

Alberni Valley residents are closer to controlling part of the forests that surround them. Ken Watson, city manager, says the lengthy process of applying for a Community Forest License on Crown land is nearly over.

The process has reached the public consultation stage, so the city is hosting two public open houses Sept. 17 at City Hall and Sept. 18 at the Sproat Lake Community Hall.

"The city will present some mapping of the lands the city is applying for, a lot of background information that foresters have compiled, the city's intentions in applying for a Community Forest license, how it will work, what our objectives are," said Watson.

The Ministry of Forest and Range has offered the city two areas north of Sproat Lake, and south of the Taylor River.

"You don't just tell the ministry what lands you want to apply for, the ministry tells you what lands you can apply for," said Watson.

"They go through a consultation process with stakeholders, including First Nations, to make sure that the lands offered are acceptable, before they tell us what land we are able to apply for."

The province first invited the city to apply for a community license three years ago.

After government officials determined which lands to offer, the city hired a consultant to evaluate the proposal.

"We hired Darren Hiller at DRH, a local company here, to do a feasibility study to make sure the land was viable from a business perspective and they assured us that it was, so we decided to go ahead with a formal application," said Watson.

"It has to make a profit. That was a condition of our application."

The community forest would be managed by a limited company, wholly owned by the City of Port Alberni, but operating at arms-length and with an independent board of directors.

"We would not undertake this with our own staff," said Watson. "Hopefully, local road builders and contractors would be hired."

Watson said it was premature to assess how much revenue the city would gain from the community forest.

Once the public input stage is complete, the next step will be to prepare a detailed business plan.

"We hope to be able to log by next spring," he said.

The meetings will take place Monday, Sept. 17, from 2 p.m.-8 p.m. in the Committee Room,

across from Council Chambers at the back of the City Hall building at 4850 Argyle St. in Port Alberni, and on Tuesday, Sept. 18, from 2 p.m.-8 p.m. at the Sproat Lake Community Hall, on Bomber Base Road off Lakeshore Drive.
The City is also seeking input via public survey forms, which are available at City Hall and at <http://www.communityforest.ca/>
More detailed information is available at <http://www.communityforest.ca/>

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Alberni Valley NEWS

Input wanted on community forest



Heather Reid/Alberni Valley News Don Dowling sits on the Port Alberni Community Forest Advisory Committee. Public consultations were held at City Hall and Sproat Lake Community Hall this week as part of the process of establishing the project.

By Heather Reid
Alberni Valley News

Sep 21 2007

The Port Alberni Community Forest (PACF) held two open houses this week to encourage the public to contribute to the plan.

Consultation with community stakeholders is required as part of the licence application that the City is in the midst of negotiating with the Ministry of Forest and Range, says Cindy Hutchison of DRH Forest Consulting. DRH has been enlisted to help with the application.

On Monday, members of the PACF advisory committee were on hand with information at City Hall and on Tuesday they set up their display at the Sproat Lake Community Hall.

The committee is made up of 11 people with backgrounds in business, forest management and public service. Both the Tseshaht and Hupacasath First Nations are represented on the committee as the proposed land falls into their traditional territories.

Prior to the face-to-face meetings, a survey was posted on the Port Alberni Community Forest website (www.communityforest.ca) to get feedback from the public.

Hutchison said public input is needed to determine forest management goals which will form the management plan. "That really guides your goals and objectives," she said. The community forest also has to present a business plan to demonstrate the viability of the project.

The proposed area consists of two chunks of land totalling 6366 hectares. One piece, called the Sproat unit is between Sproat and Great Central Lakes and the other, the Taylor unit, is at the west end of Sproat Lake.

The licence will permit the harvesting of a projected 18,000 cubic metres of timber annually, but Hutchison says it won't be a typical logging show.

The intent of the community forest is to benefit the town economically while incorporating local values. "We are accountable to the people of Port Alberni," Hutchison said.

Hutchison said the most common concerns she's heard so far are around trail protection, maintaining water quality and potential effects on the viewscapes around the lake.

Forest technician, Ray Bartram, said the application should be ready to send by next month. The committee expects to have provincial approval early in the new year at which time the forest stewardship plan gets developed. "That's more of a bird's eye view of the community forest," Hutchison explained. The plan is tailored to meet government objectives in terms of soils, water, wildlife and old-growth forests.

After that, the Port Alberni Community Forest can get a cutting permit. Something Bartram says should happen by the middle of next year.

Don Dowling spent many years working in the forest industry and brings that experience to the advisory committee. "There is money to be made while protecting other values," he said, "we need to hear from the public."

reporter@albernivalleynews.com

City Mulls Community Forest Certification

Date 2007/10/1 0:10:00 | Topic: Port Alberni News

By Florentia Scott

Should managers of the Alberni Valley's proposed community forest seek third-party certification? That's one of the questions the city wants residents to answer as they provide input into how the forest will be managed.

But some local forest activists are concerned about how the question has been asked.

"The question is worded so as to make it seem like it wouldn't be worth it, but I think that certification is very necessary for a community forest," said Judy Carlson, a local trail advocate. "This proposed area was already certified under the Canadian CSA standards, so it shouldn't cost any more to continue this certification, and it would insure that there will be continued public input regarding logging practices."

There are three major types of forest certification, all providing a mechanism to track wood from the stump to the end user, who is guaranteed a product harvested in a responsible, environmentally sustainable manner.

Independent third-party audits monitor the process against certain standards such as cut block size and riparian management.

TimberWest has certified its forests under the American Forest & Paper Association's North American Sustainable Forestry Initiative.

Western Forest Products is certified under the Canadian Standards Association program.

Several community forests in B.C. have chosen the Forest Stewardship Council's certification. Each process has slightly different requirements and standards.

"The CSA standard calls for a community advisory body, which provides a forum to discuss logging issues," said Carlson. "I think it's useful and should be continued."

Neither Ken Watson, city manager, nor Darren Hiller, president of DRH Forest Consulting, who has been hired by the city to prepare a feasibility study, were able to give any figures on how much they thought certification might cost.

Both stressed the purpose of the survey is to gather input from residents, and that no decisions have been made on this, or any other community forest management issue, at this time.

"It's premature to say," said Watson. No decisions made about certification. Certainly the smaller the woodlot the higher percentage cost it would be to certify."

Hiller said costs would not be reduced just because the area is already certified.

"A new licensee for that piece of Crown land will have to go through the entire certification process, with audits and paperwork in place," said Hiller. "It will take a minimum of six months. For a small cut, it is a large cost."

Carlson says the proposed site covers areas that are important for recreation, and that certification would give the community greater oversight in how the forest is managed.

"The west section includes the original Klitsa Trail, the Brigade Lake Trail, and the trail to Adder Mountain.

"The east section includes the Teodoro Trail, the trail to the Sproat Lake lookout, and a large area of old growth below the lookout that also might be nice for hiking," said Carlson.

"The directors of the community forest seem to recognize the importance of trails for outdoor recreation but so far this is not shown on the maps.

"There are even proposed logging roads shown across the Teodoro Trail and up to Brigade Lake. I think it is important that they hear from as many people as possible who do use the trails and who think they are important for community health."

Watson says the city hopes to be logging in the area by spring, but Hillers thinks it's more likely to be summer.

"There's a lot of work that has to happen," said Hillers. "The land has to be deleted from the TFL before the formal invitation to apply can come out, then you have 120 days to go through the process including consultation.

"The city wants to do public consultation first, so that's what we're doing now. We gather all the information. If a large percentage of the population wanted certification, that would help sell the idea."

The city's question reads as follows:

"Independent "third-party" certification assesses forest management by evaluating it against pre-established criteria. The cost of certification may reduce the revenue generated for the community. Is independent certification of the Port Alberni Community Forest important?

- No
- Yes, Only if the cost does not significantly reduce revenue for the community.
- Yes, At any cost."

For more information on the Port Alberni Community Forest initiative, and to fill out the online questionnaire, see : <http://www.communityforest.ca/survey.php>

For more details on the different types of forest management certification, see: <http://www.for.gov.bc.ca/het/certification/>

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Convention a perfect way to solicit public input

SHAYNE MORROW / ALTIMES

Members of the public took the opportunity to check out the Trade Show at Glenwood Centre on Saturday, as part of the Federation of BC Woodlot Associations annual general meeting.

Visitors were also treated to a pancake breakfast put on by chef Dale Timmons, of Dales Catering, as part of the public phase of the convention. For many, it was a chance to check out the state of the small-forestry industry in BC, which is billed as the way of the future.

For Port Alberni Community Forest advisory committee member Dave Bishop, the convention was the perfect forum to solicit public feedback about the project.

"We've been going about three years now," Bishop said. "This will be one of our last public information/opinion-gathering sessions."

The community forest initiative is moving into the next phase, he explained. All of the public feedback will be gathered and collated, and presented to the province as part of the licensing process.

"Once the clock starts running, we'll have 120 days to get the process through," Bishop said. "We will need to demonstrate that we have the support of the public. It also helps that we have local First Nations on board in an advisory role."

Bishop noted that Hupacasath First Nation operates its own woodlot, and has used the revenues to help fund the Upnit Power Project. Now that Upnit is up and running, those revenues will help develop the next run-of-the-river power initiative, at Coleman Creek. That's how the city could use community forest revenue, he explained.



SOVA members Nancy Czigany (left) and Leslie Walerius (centre) learn about the Port Alberni Community Forest initiative, from advisory committee member Dave Bishop. [SHAYNE MORROW / ALBERNI VALLEY TIMES]

"It's not like a large, outside corporate entity," Bishop said. "We are going to receive the benefit of the revenues, and that will be over and above municipal tax revenues."

Over at another booth, Jeff Hallworth is the guy who tracks down aliens - alien, invasive plant species, for the provincial forest ministry. You think Scotch broom is a nasty devil? Well, it is, but we've got a whole mess of foreign plants that are doing their best to strangle our native species and degrade our environment.

The real Plug-Ugly is giant hogweed. It's an evil brute from the Caucasus that looks like it stepped out of a post-Apocalypse movie - and it's coming our way. This one has a Kill On Sight order. Beat it down, dig up the roots, set fire to it, and, for God's sake, don't let the seeds develop. And, oh yeah, don't touch it with your bare hands, or you'll look like you went one-on-one with a CANDU nuclear reactor.

Like most invasive species, giant hog-

weed came here as a cultivated species (Lord knows why). Many garden favourites have a dark side, Hallworth said.

"Many people have purple loosestrife in their gardens," he said, pointing out a photo of a streamside meadow, in solid purple. "It's beautiful - but nothing will grow there."

Purple loosestrife is already rampant in the Alberni Valley, as are the four varieties of knotweed.

"It is horrible in riparian (streamside) situations," Hallworth said. "It will become the next Scotch broom on Vancouver Island."

The reason? The knotweeds propagate by rhizomes, and do not develop root hairs. The rhizomes they are so invasive, they can send runners under concrete. And when they crowd out native species along stream banks, their lack of root hairs means there is nothing binding the soil together.

"So when you get heavy rains, the flooding washes out the stream banks,"

Hallworth said. But those aren't the only invasive plants. Even the ubiquitous St. John's wort and periwinkle can become invasive if they are introduced into the wild landscape.

"Not all alien plants are invasive," Hallworth said. "What's sold at nurseries is usually alien, but not necessarily invasive."

And just to illustrate the concept of value-added, a number of local crafters were on hand to display their wares, including Charlie and Anne Levesque, of Charlie's Wooden Toys and Gilbert and Judy Dore, with decorative wooden bowls, from a wide range of species, including rare figure maple.

"We really had a great sales night on Friday," Gilbert Dore said. "When all those loggers came in, it really went over big."

Outside Glenwood, Heiko Notdurfter manned a display of Pfanner Tough Gear protective clothing.

"We bring over European gear," Notdurfter said. "It's made in Austria and Denmark, with fabric from Switzerland."

Notdurfter is currently trying to expand the range of dealers for Pfanner, which is a top seller in Europe. The products are used both in industry and recreation, wherever durable clothing is required.

"We have modified some of our gear to suit local regulations," Notdurfter said. Pfanner uses an extremely tough, two-way stretch fabric known as codura, which is not only tear-resistant but also quick-drying. Notdurfter said he currently has one local dealer interested in the Pfanner product line.

» Related story, page 3



CITY OF PORT ALBERNI

City Hall
4850 Argyle Street
Port Alberni, B.C. V9Y 1V8
Tel: (250) 723-2146 Fax: (250) 723-1003

Media Release November 8, 2007 Port Alberni BC For Immediate Release

Residents Vote 94% in favour of Port Alberni Community Forest

Results are in from the Port Alberni Community Forest "Community Support, Awareness, and Management Survey" and 94% of responding residents of Port Alberni and the Community of Sproat Lake voted YES to the question "Do you support the concept of a community forest, managed and operated for the benefit of the community?"

The community was asked to participate in the development of the community forest by attending open houses, completing an online or printed survey, by providing feedback by phone or email, or volunteering their time and skills.

Opportunities to discuss issues with members of the Community Forest Advisory Committee were provided at a booth at the very popular Alberni District Fall Fair. This booth attracted a diverse cross-section of the population, and facilitated contact with people who normally would not be interested in forestry discussions or participate in forestry initiatives. Open house meetings were held at the Port Alberni City Hall and at the Sproat Lake Community Hall which mostly attracted community members concerned about forestry activities. Members of the forestry community and members of the public interested in forestry were on hand at a booth at the Glenwood Centre during the Federation of BC Woodlot Associations AGM during National Forest Week.

The objective of the meetings, web site, and survey was to share information with the community, and consult regarding management visions, values, and objectives that would be in the public's best interest. Seventy-two surveys were completed during the period from August 19th to October 31st 2007.

Of those responding, 63.4% think the land base for the community forest located north and west of Sproat Lake is appropriate. Seventeen percent of responders think it is too small; while 20% indicated that it is not appropriate for other reasons.

When asked to rank the importance of nine potential uses for the land base for forest management responders indicated that water quality and fish habitat protection, protection and/or creation of wildlife habitat, and maintenance of old-growth forests are their top three forest values for the community forest land base. Creation of economic benefit for the community was ranked fourth. Although all forest values are important, the ranking shows that community members are willing to find a balance between non-timber benefits of the forest and receiving revenue from the forest by harvesting wood and non-timber forest products. Water, however, is of the highest priority for protection, and residents will not tolerate any degradation in quality or alteration of quantity of flow due to industrial operations.

Responders indicated that they are largely in favour of the revenue from harvesting in the community forest being reinvested in the community forest (46%); though directing the revenue to community projects is also a popular choice (28%).

Survey answers will aid with the development of forest management goals and objectives outlined in the Management and Business Plans in the Community Forest licence application.

Public involvement is expected to evolve and grow as many community members have expressed interest in helping with the planning and operation of the community forest.

The complete survey results can be viewed online at www.communityforest.ca.

Members of the public are encouraged to continue to discuss community forest issues, ask questions, and express opinions by emailing the Community Forest Advisory Board at communityforest@drhconsulting.ca or contacting Ken Watson, City Manager, at 720-2824.

For additional information on the Port Alberni Community Forest, contact:

Ken Watson, City Manager
250-720-2824
Email: ken_watson@portalberni.ca
www.communityforest.ca

Locals Back Community Forest: City Councillor

Date 2007/11/9 0:20:00 | Topic: Port Alberni News

By Karen Boden

People are interested in the city's Community Forest initiative and seem to be in support of it, says a Port Alberni city councillor.

During September, the project's advisory committee held open houses in the city and at Sproat Lake and also manned a booth at the fall fair.

"Most of the visitors said they were supportive," said Jack McLeman Wednesday.

The proposed Community Forest consists so far of two small plots, offered up by the Ministry of Forest and Range, both near Sproat Lake Regional.

McLeman said for the community forest to be successful and compare favourably to other communities' projects, there has to be substantially more forest land involved.

"It needs to be a big enough one to make it worthwhile for Port Alberni and the regional district," said McLeman.

The initiative has been in planning and development stages since October 2003. Proponents expect to begin physical work on it in the spring and summer of 2008.

Information on the project can be found at <http://www.communityforest.ca/>

Karen.boden@westcoaster.ca

This article comes from Westcoaster.ca

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Appendix F Fall Fair Community Forest Handout

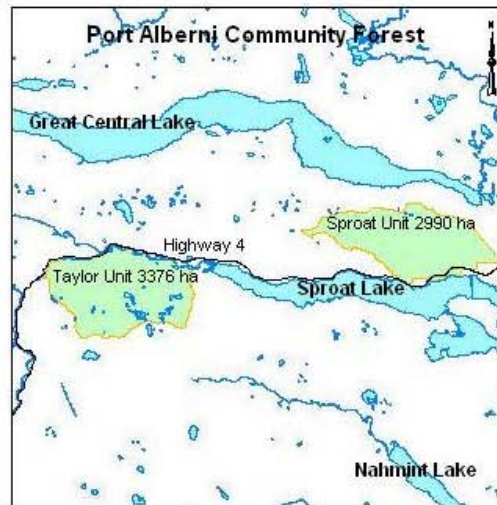
Community Forestry Is...

- Decisions made by people who must live with the outcome
- Finding local solutions to contentious issues
- Keeping benefits in the community

Quick Facts

- The proposed area of the Port Alberni Community Forest is 6366 hectares.
- The Port Alberni Community Forest is in the traditional territories of the Hupacasath and Tseshaht First Nations.
- Forest Management will incorporate values of the people of Port Alberni, and traditional values of the local First Nations.
- The proposed area has recreation trails; it provides clean water for human consumption and fish habitat; and homes for wildlife. The area is valued for its spectacular viewsapes enjoyed by locals and tourists alike.
- The harvesting revenue will be available to the community of Port Alberni to use for community projects, infrastructure upgrades, or for reinvestment in the community forest.

The Port Alberni Community Forest will be an example of forest practices that are sensitive to non-timber forest values and a model of forest stewardship, while generating revenue for the community. The license will permit the harvesting of a projected 18,000m³ annually (an amount equal to approximately one cutblock per year) from a proposed area situated north and west of Sproat Lake, bringing control of forest resources and economic benefit to the Port Alberni community.



Contact Us:

www.communityforest.ca
communityforest@drhconsulting.ca
250-723-9466

Port Alberni Community Forest



Putting control of land and resources in the hands of local people

Advisory Committee



Penny Cote



Dave Bishop



Dan Dowling



Warren Lauder



Neil Malbon



Jack McLeman



Ken McRae



Dan Powell



Les Sam



Gary Swann



Ken Watson



The Community Forest Advisory Committee managing the Port Alberni Community Forest initiative consists of 11 community members with backgrounds in business, forest management, and service to first nations and the public.

The City of Port Alberni has been negotiating with the British Columbia Ministry of Forest and Range to obtain a Community Forest licence on Crown land to benefit the people of Port Alberni. The license application requires community consultation.

A community forest could provide benefits to the community such as:

- Long-term community economic development.
- Small scale local employment.
- Profits reinvested in community projects.
- Local-level forest management decision leading to appropriate use of forest resources and protection of drinking water, views, and other values that are important to communities and to local and regional economic activity.
- Resolution of conflicts over timber harvesting.
- Enhanced opportunities for education and research. Community forests can be used for testing innovative forest practices.
- Improved awareness of forest management among members of the public.

Public consultation is required to determine the forest management goals and objectives for the Community Forest which will guide the preparation of Management and Business Plans which are part of the licence application.

You can participate in the development of your community forest by attending Open Houses, completing our survey, providing feedback by phone or email, or volunteering your time and skills.

Open House Meetings will be held September 17th at City Hall from 2 pm to 8 pm; and September 18th at Sproat Lake Community Hall from 2 pm to 8 pm.

The objective of the meetings, web site, and survey is to share information with the community, and consult regarding management visions, values, and objectives that would be in the public's best interest.

Without public support and a commitment on the part of the community to become involved, the Port Alberni Community Forest will not be feasible.

**GET INVOLVED IN YOUR
FOREST VISIT
WWW.COMMUNITYFOREST.CA**

Appendix G Summary of the Community Awareness, Support, and Involvement Survey and Answers to Questions Asked

Port Alberni Community Forest Community Support, Awareness, and Management Survey

Do you support the concept of a community forest, managed and operated for the benefit of the community?

☐ YES ☐ NO (If not, why?) _____

Do you think the proposed land base for the community forest is appropriate?

☐ YES ☐ NO (If not, why?) _____

Is there anything in particular that you value about the proposed land base for the community forest (e.g. recreation, viewsapes, wildlife, water quality)? Please be as specific as possible.

The community forest can be managed for a variety of activities and forest values. Below is a list of some potential uses for the land base (including forestry). Please rank the following from 1 to 9 (or 10) from the most to the least important (1 being the most important). Please do not use the same number twice.

- ☐ Educational opportunities
- ☐ Creation of economic benefit for the community (e.g. indirect jobs, community projects, infrastructure upgrades)
- ☐ Create small scale local forestry employment
- ☐ Maintenance of old growth forests
- ☐ Maintenance or enhancement of recreation and trails
- ☐ Tourism activities
- ☐ Water quality and fish habitat protection
- ☐ Protection and/or creation of wildlife habitat
- ☐ Maintaining scenic viewsapes
- ☐ Other: _____

Harvesting in the community forest can generate revenue for the community. What should these revenues be used for? Choose any that are applicable.

- ☐ Community Projects (e.g. recreation facilities)
- ☐ Reinvestment in the community forest (e.g. recreation trails, enhanced silviculture, habitat creation)
- ☐ Infrastructure Projects (e.g. roads, water, sewer)
- ☐ Other: _____

Independent "third-party" certification assesses forest management by evaluating it against pre-established criteria. The cost of certification may reduce the revenue generated for the community. Is independent certification of the Port Alberni Community Forest important?

- ☐ NO
- ☐ YES, Only if the cost does not significantly reduce revenue for the community.
- ☐ YES, At any cost.

If the City of Port Alberni was given a community forest, would you be interested in helping?

- ☐ NO ☐ YES (How?) _____

Would you or your organization be willing to provide the community forest with a letter of support?

- ☐ YES ☐ NO (If not, why?) _____

Do you have any comments or concerns relating to the establishment of the Port Alberni Community Forest? If so, what are they?

Do you require more information? If so, what information would you like to receive?

Optional (Information to be used for sharing of community forest information)

Name: _____ Phone: _____

Address: _____ Email: _____

Contact Us: communityforest@drhconsulting.ca / 250-723-9466

**Port Alberni Community Forest
Community Support, Awareness, and Management Survey Results
Survey Completed August 19 to October 31 2007
Results Compiled November 6, 2007**

1 Do you support the concept of a community forest, managed and operated for the benefit of the community?

% YES 94

% NO 6

If not, why?

There are other viable, long term uses for local forests that surpass the short term benefits of a community forest.

As long as it is sustainably managed, and the benefits accrue to the people directly affected

Parts of this area at Sproat Lake was logged this spring and summer. are you going to clean it up and cut down what the forest companies did not? mostly along the #4hwy to the west coast.

Only if it's contracted out to a competent firm.

BUT..... it should be utilized properly i.e. if your not gonna make money logging it don't! Why not use this as a way to do it differently...better something that will it takes the community's (i.e., the Mayor and Council's) mind off of more important things to consider for Port Alberni's future.

2 Do you think the proposed land base for the community forest is appropriate?

% YES 63.4

% NO 36.6

% No, because the area is too small 17

% No, because of damage to Sproat Lake 7

% No, other reasons 13

If not, why, other reasons:

Too much of our local forests are under private land with no control of the forest practices used.

Uncertain. Have not seen the financial figures to know if an environmentally sustainable harvest rate can also be financially viable.

Because.

I don't know what or where or how much land has been proposed for the community forest.

The crown land should be proportionally distributed to the community and the NTC tribal council.

Not big enough to provide meaningful employment; control of china creek watershed would ensure protection in future

The idea of Port Alberni getting bogged down in the logging industry at a time when that industry is buckling at the knees and Port Alberni is crying out for a new future is pathetic.

The old growth north of Sproat Lake should not be logged.

- 3 Is there anything in particular that you value about the proposed land base for the community forest (e.g. recreation, views, wildlife, water quality)? Please be as specific as possible.

Issue	# of mentions	% of mentions
water	32	21
recreation and trails	27	17
wildlife and habitat	25	16
views	20	13
economy and jobs	6	4
old growth	6	4
environmental protection	5	3
non-timber products	5	3
tourism	4	3
fish	3	2
cultural heritage resources	3	2
road access	3	2
Sproat Lake Community	3	2
forest cover for climate	2	1
Weiner creek	2	1
sustainability	2	1
education	2	1
value added processing	1	1
local control of decision	1	1
slope stability	1	1
firewood cutting	1	1
no harvesting	1	1
TOTAL	155	100

- 4 The community forest can be managed for a variety of activities and forest values. Below is a list of some potential uses for the land base (including forestry). Please rank the following from 1 to 9 (or 10) from the most to the least important (1 being the most important). Please do not use the same number twice.

	RANK
Water quality and fish habitat protection	1
Protection and/or creation of wildlife habitat	2
Maintenance of old growth forest	3
Creation of economic benefit for the community	4
Maintenance or enhancement of recreation and trails	5
Create small-scale local forestry employment	6
Education opportunities	7
Maintaining scenic views	8
Tourism activities	9

Other

Integrate a traditional Nuu-chah-nulth Forestry Interpretive Centre.
 Climate moderation.
 Non-forest timber products.
 Please allow residents of PA to gather firewood after commercial cutting is completed.
 Good utilization, to minimize waste.
 Maintain cultural/archaeological features.
 Maintain access for recreational users.
 Access for minor forest products.
 Non-tree related economic values.
 Until all log exports are banned, this is pointless.
 Seizing the opportunity to salvage valuable wood otherwise lost.
 Wildland fire prevention and fuels management.
 To help protect the amenities for the enjoyment of the present residents!!
 Harvesting of botanical forest products.
 These are all interdependent on one another and area all equally important to support the next.

5 Harvesting in the community forest can generate revenue for the community. What should these revenues be used for? Choose any that are applicable.

	# answers	%
Reinvestment in the community forest	48	46
Community Projects	29	28
Infrastructure Projects	18	17
Other:	9	9

Other specifics: There are more viable, sustainable ways to generate revenue for the community.
 Community/social development projects.
 Purchase land to expand the community forest with secure tenure.
 There should be a formula for allocating benefits, that is agreed on by the community.
 All good ideas. But that's what taxes are for. Tax break with this idea?
 Maintenance of access for recreation.
 Alternative energy, sustainable development projects.
 Social housing and creation of economic opportunities.
 Due to global warming our watershed is becoming more fragile.
 reduce debt/taxes
 Opportunity to educate public about non-economic value the forest provides (ie: water quality etc).

It should be invested directly back into forestry related projects-value added.
 Until all log exports are banned, this is pointless.
 This question assumes that logging ("harvesting") would go ahead. Let's not go there, period.
 Fuels management.
 Tree planting to replace the trees removed by logging.
 McLean Mill subsidy and Heritage Museum.
 Harvesting represents short sightedness and will only bring immediate results not long term stability.

6 Independent "third-party" certification assesses forest management by evaluating it against pre-established criteria. The cost of certification may reduce the revenue generated for the community. Is independent certification of the Port Alberni Community Forest important?

Yes, only if the cost does not significantly reduce revenue for the community
 Yes, At any cost
 No
 Total

7 If the City of Port Alberni was given a community forest, would you be interested in helping?

33 YES ANSWERS

8 Would you or your organization be willing to provide the community forest with a letter of support?

43 YES ANSWERS

9 Do you have any comments or concerns relating to the establishment of the Port Alberni Community Forest? If so, what are they?

Costs vs. benefits must be carefully considered - It is imperative that the City NOT be in the logging business but to partner with an experienced, trusted, independent 3rd party to achieve maximum economic and community benefit.

My concerns relating to the establishment of the Port Alberni Community Forest is that the proposed land base for this plan is too close to human and wildlife habitat and it should be left intact. There are more innovative and creative ways of developing revenue for the community that will benefit more people than the very few people this plan will benefit in the short and long term.

I would like to here more information regarding how it will be managed, by whom and who will determine where generated funds are allocated.

This is a wonderful first step toward a locally-controlled, environmentally wise harvesting regime. This may involve rather slight harvesting, depending on how far the plot has advanced on its recovery from clearcutting. 90% of Old Growth in the community forest should be preserved for now, and 10% as a demonstration forest subjected to a harvesting regime that preserves the canopy (and therefore all Old Growth values) while harvesting the annual growth in a way that keeps that annual growth at a maximum. Serious development of sustainable non-timber harvest should take place. Consultation and accommodation of First Nations title and rights is needed.

My biggest concern is that the jobs created by the community forest would not stay in the valley. All jobs created by the community forest must stay in the Port Alberni Valley.

I would like to see a very selective logging operation, with water, fish and wildlife values being most important, as well as views/capes and tourism/recreation values being put before ANY profits. Sproat Lake is a tourist destination, and very limited logging, especially the type of clear-cutting being practiced on private lands, should be allowed there.

yes, who are you going to employ to work at this forest adventure? union or non-union, loggers, truckers, fallers. where are the logs going to be sold? off shore? to out of town mills?

I don't want to see a typical logging show " cut it once, plant a tree farm and have nothing to work with for decades. I would like to see the Port Alberni Community Forest work along the lines of the Harrop-Proctor CF or like Merv Wilkinson's Wildwood in Cedar. This is a chance for Port to lead the way on a truly sustainable, community-based project.

This is an exciting, forward thinking project, great work!

I think this is a great opportunity for our community.

See justabunchahikers.com, [islandhikes](http://islandhikes.com). ACRD had GPSed trail maps.

Protect watersheds, avoid massive clearcuts.

Hopefully it will not end up in minus and world need tax money to support.

Would like more info.

My biggest concerns are simply that the Forest be a model of what sustainable harvesting can look like, and that the revenues generated are invested in long-term projects that will enhance the sustainability, energy-efficiency, and over all livability of the City of Port Alberni.

Lets do something.

I believe that this community forest must be self sufficient. With good planning including careful budget control this community forest should not need to be subsidized by the city. Selection of cost effective road building and harvesting contractors is key to a good return. Careful selection of fallers that maximize individual log value with good bucking practices is also key. Only safe certified companies should be on the community forest eligibility list.

That the City itself not try to operate it. The expertise is just not there. It must be contracted to competent operators.

I am very concerned about the way this will be used and how that money will benefit if at all the local sproat lake residences too. We already have had many water quality issues from this last years storms as well the issues of visual impacts of logging proposed by Island timberlands don't add to the problem.

If certification is sought, would strongly prefer the community forest to seek FSC (Forest Stewardship Council) certification.

Full public consultation, feedback to be valued not ignored or relegated to second-rate information. also important to have sufficient area so the community forest isn't just a postage stamp size and not sustainable in and of itself (environmentally, ecologically, economically).

Needs a process to ensure ongoing public consultation.

Thank you and good luck.

Ensure that harvesting is actually sustainable, increase the length of time between harvests. Protect old growth habitat for diversity and wildlife. When possible sell logs to local companies. Work with the wiwag group with the certification.

I would like to suggest that we apply the "Triple Bottom Line" to our Community Forest

In practical terms, triple bottom line accounting means expanding the traditional reporting framework to take into account environmental and social performance in addition to financial performance. The BC Community Forest Assoc. puts it another way: culturally, ecologically, and economically sustainable forestry. The concept of TBL demands that a company's responsibility be to 'stakeholders' rather than shareholders. In this case, 'stakeholders' refers to anyone who is influenced, either directly or indirectly, by the actions of the firm. According to the stakeholder theory, the business entity should be used as a vehicle for coordinating stakeholder interests, instead of maximising shareholder (owner) profit.

Although there is cross-over between the list of interests and the three categories, this is my suggested format. I believe that when decisions about land use are made, all of these interests must be considered and respected.

Environment Maintenance of forest stands for wildlife habitat, biodiversity (old growth)

Recreational uses- trails and roads

Protection of water quality and fish habitat

Community Education

Tourism activities

Maintain scenic viewpoints

Financial Direct jobs in the forestry project

Indirect jobs

Community projects and infrastructure

Re-investment in forest project

The BC Community Forests home page states that a community forest is for the benefit of the entire community. Therefore a very inclusive process will be necessary for the management of the forest.

Skilled management so that it operates successfully

It is of immense benefit to have the management done locally and to be accountable to the locals.

I would hope that if the area is to be logged, it will be logged in a way that protects watershed and fish habitat and maintains the existing hiking trails.

I HOPE THEY CAN RUN THE COMMUNITY FOREST BETTER THAN THEY RUN THE CITY; WHICH IS AT THE BOTTOM OF THE PROVINCE IN ALL CATEGORIES.

I am happy that the community of port alberni has the opportunity to manage a forest for the benefits of the community. However I am concerned that those that are managing this forest are not familiar with small scale forestry. I am concerned that out of towners are being hired to work on the forest rather than members of port alberni community. I am concerned that the decisions will be based on economics rather than a socio-ecological outlook.

I am concerned that the forest will be managed like TFL 44 and the wood will be exported out of the community for the highest dollar. Support local mills and investigate the potential for value added opportunities. I would like to see port alberni look at models from Europe that capture the essence of small scale forestry and have the ability to be sustainable both economically and ecologically. Lets think outside of the box. We have so much wealth.

There must be community consultation and involvement in every stage of the community forest including the ongoing management of the forest.

Waste of time and money....until all log exports are banned, this is pointless.

The focus must be on trying to ensure a source of employment for local people, no matter how little it may be.

I think that the work should be done by people who reside in the Alberni Valley and understand the pros and cons of living in the valley.

People who live outside the valley will receive benefits from working on the project but do not have to live with the negative aspects of the logging.

Great idea.

If this Mayor and Council start "harvesting" trees to make money then Port Alberni may never grow up -- culturally and economically speaking. You can only slip so far behind the times before you can never catch up. We are already being passed up by much smaller and more remote communities on the Island in terms of economic development. While the Mayor and Council obsess over logging, other more critical social, health and economic issues go begging. It's time to move ahead.

Good idea, keeps the benefits of forest harvest in the community. Let's try to direct the wood to local remanufacturing and other value added activity.

Must follow Wildfire Act and Regulations for Fire Prevention, Response. Also incorporate fuels management into plan to reduce fire hazards to acceptable levels. Local Government should consider fire response capabilities for community forest.

I would like to see some restriction placed on the end use of the logs. Why allow logs to be exported when there are layoffs and equipment shutdowns at the local sawmills and paper mill.

The City was involved with MB and MOF before on a lands bordering the city to the east, but that passed away. City taxpayer are funding many other projects at are not paying their way, what guarantee is there that the Community Forest isn't another drain on the taxpayers? Timber Harvesting with proper forest and ecological management can be an expensive operation to undertake and must be done wisely and carefully. Overall, a community forest should be an asset and a positive experience, and hopefully that would be the case for the Alberni Valley.

Alberni Valley Community Forest

From: ray bartram []
Sent: August 27, 2007 8:20 PM
To:
Cc: 'Cindy Hutchison, Forest Consulting'
Subject: Thanks for responding to our survey

Hi Jim:

Thanks for responding to the Port Alberni Community Forest survey online.

We've taken your questions from the survey, and will add them to our question and answer page on the website. (i've paraphrased your questions slightly)

Who will be employed in the community forest.

The Community Forest Advisory Committee anticipates that the operations on the community forest will be tendered through local advertising or invited tenders. There is an active contractor community in Port Alberni comprised of both union and non-union companies and individuals who would be interested in working in this area. The public review period for the community forest proposal will help to identify those interested in working on the community forest.

The size and scope of the potential projects will evolve as the community forest licence is developed.

Where will the logs be sold?

There is local demand for most of the logs that can be produced from the community forest area. The exceptions are small diameter Cedar, second growth Douglas Fir and large diameter Hemlock and Balsam pulp quality logs.

Small second growth Fir is usually in demand at the veneer plants in Nanaimo or along the Fraser River, while larger diameter second growth logs can often be sold to mills in other locations on Vancouver Island. Small diameter Cedar or "gang" Cedar is usually sold into the Vancouver Log Market, and milled at facilities along the Fraser River. Large pulp logs find a home at the chipping facilities at Chemainus or in Port Alice.

The methodology to sell logs is still to be determined as they can be sold at a number of points along the production process. Where the timber can be sorted in the woods and

01/10/2007

directly hauled to the customer, the point of sale will likely be at the customer's site. Other timber will be sold after being measured and sorted at a Dryland sort.

I trust this addresses your questions. if you would like more information please contact us at communityforest@drhconsulting.ca If you would like to discuss the community forest proposal, we'll also be at the fall fair September 6th to 9th and will be having open houses at:

September 17, 2007: Open House Meeting at Port Alberni City Hall 2 pm - 8 pm.

September 18, 2007: Open House Meeting at Sproat Lake Community Hall 2 pm - 8 pm

Thanks

Ray Bartram MBA, RFT
for DRH Consulting

01/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: August 27, 2007 9:16 PM
To:
Subject: Thanks for responding to our survey

Thanks for responding to the Port Alberni Community Forest survey online.

We've taken your questions from the survey, and will add them to our question and answer page on the website at www.communityforest.ca.

How any revenues will be allocated to the community?

The Community Forest Advisory Committee has been asking the same question. The expectation is that the survey Question #5 (Harvesting in the community forest can generate revenue for the community. What should these revenues be used for?) and community consultation through open houses and public awareness campaigns will aid in answering this question by quantifying how the members of the community want to use the profits from the Community Forest.

How the balance of values versus profits will be maintained, past the initial community consultation phase?

Consultation with the public and First Nations should result in a hierarchy of values and objectives that need to be managed. These will be used to determine forest management strategies that will become part of the Forest Management Plan. The Management Plan is a legal commitment to forest management strategies that recognize and balance values important to the community.

I trust this addresses your questions. if you would like more information please contact us at communityforest@drhconsulting.ca If you would like to discuss the community forest proposal, we'll also be at the fall fair September 6th to 9th and will be having open houses at:

September 17, 2007: Open House Meeting at Port Alberni City Hall 2 pm - 8 pm.

September 18, 2007: Open House Meeting at Sproat Lake Community Hall 2 pm - 8 pm

Regards, Cindy Hutchison, RPF
Consulting Forester

01/10/2007

Alberni Valley Community Forest

From: ray bartram []
Sent: August 28, 2007 6:26 PM
To:
Cc: 'Cindy Hutchison, Forest Consulting'
Subject: Thanks for responding to the Community Forest Survey

Hi John:

Thanks for responding to the Port Alberni Community Forest survey online.

We've taken your questions from the survey, and will add them to our question and answer page on the website at www.communityforest.ca.

How will any revenues will be allocated to the community?

The Community Forest Advisory Committee has been asking the same question. The expectation is that survey Question #5 (Harvesting in the community forest can generate revenue for the community. What should these revenues be used for?) and community consultation through open houses and public awareness campaigns, will aid in answering this question by quantifying how the members of the community want to use the profits from the Community Forest.

How will the management of the community forest be structured?

The process to apply for a community forest is currently being managed as a City of Port Alberni initiative. Three members of City Council, the City Manager, and seven community members make up the Community Forest Advisory Committee which is guiding the process. The City of Port Alberni has retained DRH Consulting to prepare the application.

If the committee is successful in acquiring the Community Forest Licence, it will actually be granted to the "Strategic Forest Alliance Corporation" which is a limited company wholly owned by the City of Port Alberni.

The current structure of this inactive corporation is to have 3 members of council, and the City Manager as the Board of Directors.

Over the next few months, the corporate structure will be reviewed to determine the best structure for what would become a functioning business immediately upon the issuance of the Community Forest Licence.

The makeup and roles of the board of directors for the Strategic Forest Alliance Corporation will be reviewed, and then decisions about the management of the business side of the Community Forest may be made. Options include, but are not limited to:

- hire a manager/forest professional on a full time or part time basis
- have existing city staff take on some of the management duties as a portion of their workload
- retain an individual on a contractual basis to manage the tenure
- retain a company to provide the management services.

01/10/2007

All of these models and others are at work on forest tenures within British Columbia

Feedback received during the public reviews of the proposed community forest may assist in the decisions about management structure as we learn about peoples interests in working with the community forest.

I trust this addresses your questions. if you would like more information please contact us at communityforest@drhconsulting.ca If you would like to discuss the community forest proposal in person, we'll also be at the fall fair September 6th to 9th, and will be having open houses at:

September 17, 2007: Open House Meeting at Port Alberni City Hall 2 pm - 8 pm.

September 18, 2007: Open House Meeting at Sproat Lake Community Hall 2 pm - 8 pm

Regards,

Ray Bartram MBA, RFT
for DRH Consulting

01/10/2007

Alberni Valley Community Forest

From: ray bartram []
Sent: August 29, 2007 8:13 AM
To:
Cc: 'Cindy Hutchison, Forest Consulting'
Subject: Thanks for responding to the Community Forest Survey

Hi Stephen:

Thanks for responding to the Port Alberni Community Forest survey online. I'd like to address some of your questions and point you towards some of the resources that are available on our web page at www.communityforest.ca Your questions/comments are in bold italics, our information follows.

I would like to see maps that show the nature of the timber stands throughout the community forest lands.

Forest Cover maps of the proposed Community Forest Area are on the maps on the website. The second growth timber is shown in light green and the old growth is dark green.

The mapping shows forest cover for the proposed area. Examples of four main classes of forest are juvenile, young, mature with a volume estimate, and mature with a timber cruise. Examples of the type of information shown on the map for each forest stand is as follows:

M109

FCH

815 This is mature stand #109. It is comprised of Fir, Cedar and Hemlock and has been estimated at 815 cubic meters per hectare.

J1870

F 24

1967 This is juvenile stand #1870. It is comprised of Fir with a site index of 24. The stand was established in 1967

Y3217

F 25

1953 This is young stand #3217. It's Fir with a site index of 25, and was established in 1953.

M5208

HF

343 This is cruised mature stand #5208. It is comprised of Hemlock and Fir has been calculated as having 323 cubic meters per hectare.

The Geographic Information System data set for the forests in the proposed area has more detail about each stand, including in some cases, the species mix by %, hectares of each stand, and detailed cruise information about the forest.

01/10/2007

What are the plans for liaison with the new Climate Change Committee being formed by the Mayor and Council of Port Alberni?

We understand that this is a brand new initiative endorsed by City Council on August 13th. The details, and terms of reference have not yet been worked out. The Committee will be established through the fall, so any suggestions on how the Community Forest and Climate Change Committee can connect are welcomed.

I would like a report on consultation and accommodation of First Nations title and rights.

The Ministry of Forests and Range has been consulting with the First Nations in regards to tenure changes in the Port Alberni Area. The Community Forest Advisory Committee has been sharing information and discussing the Community Forest Licence opportunity with the Tseshaht and Hupacasath First Nations for some time. Both bands now have representation on the Community Forest Advisory Committee.

I would like a report on steps taken to qualify for FSC certification.

The questions on the community survey will help to guide the committee on which, if any, certification system to follow. No steps have yet been taken to obtain certification, as seeking the licence is the first step for the community forest. A long term, area based tenure, such as a community forest, creates more opportunities for certification than other tenure types.

The consultants working on the application process have experience working with a number of different certification systems including CSA, ISO, SFI and FSC. I have personal experience working with FSC, having been the General Manager of Iisaak in Clayoquot Sound in 2004/05. The company underwent a successful re-certification audit during my tenure and i have experience in marketing FSC certified products.

I would like a commitment to preserving or restoring Old Growth canopy values throughout this land base as a bottom line for any harvesting.

The Sproat Lake Landscape Unit Plan designates areas throughout the Sproat Lake watershed as Old Growth Management Areas and Wildlife Habitat Areas to meet the targets set for the landscape unit. These areas are to be managed for old growth attributes. The maps on web page illustrate the locations of the OGMAs and WHAs in and near the proposed Community Forest area.

Within the proposed community forest area there are likely to be numerous areas of second growth throughout the land base, that will be reserved from harvest that will have the opportunity to grow to achieve old growth attributes. Projects to hasten the achievement of old growth attributes in these areas can be undertaken depending on funding opportunities and community support. The Old Growth targets as set by government for the landscape unit have been met with set aside areas, so acquiring funding from the Forest Investment Account may be a challenge.

More information about Old Growth is found in the Q&A section on the web site.

01/10/2007

Has any policy work been done on harvesting methods?

We anticipate that the Retention Silviculture System would be used for harvesting in the Community Forest in most circumstances. Our local knowledge of the land base indicates that many areas in the eastern or Sproat Lake Unit are suitable for ground based harvesting. The western or Taylor Unit has terrain more suitable for cable and aerial systems, with some small areas of ground based systems.

What is the nature of the proposed tenure?

If our application is successful, a Probationary Community Forest Licence would be issued. After five years of operations, a Long Term Community Forest Agreement would be applied for.

More information about Community Forest tenures may be found at:

<http://www.for.gov.bc.ca/tasb/legsregs/forest/faregs/commtenures/CTR.htm>

and:

<http://www.for.gov.bc.ca/hth/community/>

I trust this addresses your questions. if you would like more information please contact us at communityforest@drhconsulting.ca

If you would like to discuss the community forest proposal, we'll also be at the Fall Fair, September 6th to 9th, and there will be open houses at:

September 17, 2007: Open House Meeting at Port Alberni City Hall 2 pm - 8 pm.

September 18, 2007: Open House Meeting at Sproat Lake Community Hall 2 pm - 8 pm

Regards,
Ray Bartram MBA, RFT
for DRH Consulting

01/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: September 20, 2007 3:27 PM
To: 'Sandy McRuer'
Subject: FW: sproat unit all on 10000.pdf

As requested. This Sproat map has the visual and rec polygons overlaid on the Port Alberni Community Forest; as well as some other information of interest.

Cindy Hutchison, RPF

01/10/2007

Alberni Valley Community Forest

From: ray bartram []
Sent: September 25, 2007 6:48 PM
To:
Cc: 'Cindy Hutchison, Forest Consulting'
Subject: Community Forest Revenues

Hi Jack:

Thanks for answering our survey.

We anticipate that the community forest should generate \$5 - \$10 of profit per meter of harvested timber. On a harvest of approximately 17,000m³ annually, this works out to \$85,000 to \$170,000.

The small volume of harvest means that we have to be very focussed on keeping the planning and administration costs down.

Thanks

ray bartram

Ray Bartram MBA, RFT
Ryka Industries Ltd.

01/10/2007

Alberni Valley Community Forest

From: ray bartram []
Sent: September 25, 2007 6:58 PM
To:
Cc: 'Cindy Hutchison, Forest Consulting'
Subject: Community Forest Survey

Hi Maggie:

Thanks for answering the Community Forest Survey. In replying to the survey, you asked a number of questions about the landbase for the Community Forest, and who has been involved.

Our website at www.communityforest.ca has a number of maps and orthophotos that show the area, along with forest cover information. The site also has information about the advisory board and the consultants working on the project.

I trust that the site will answer your questions, but if you'd like more information we can be reached at communityforest@drhconsulting.ca

thanks

ray bartram

Ray Bartram MBA, RFT
Ryka Industries Ltd.

01/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: September 28, 2007 10:46 AM
To: 'John or Diane Mayba'
Subject: RE: Thank you for responding to our survey

John:

We would very much appreciate your letter of support.

The advisory board agrees that the community forest should be composed of a cross-section of people from the community. The initial advisory board was formed by people who were interested enough to respond to an ad for volunteer advisors that the City of Port Alberni placed in the local paper. Initially, the board was made up of retired forest managers from industry and government, politicians from Port Alberni, and one environmentalist (Gary Swann) as these were the people who answered the ad. They realized that their skill level was not well rounded, so they invited two members of the First Nations community (Warren Lauder from the Hupacasath, and Les Sam from the Tseshaht) and one representative of the Sproat Lake Community (Penny Cote) to join the committee.

The current committee can be viewed on our web site: www.communityforest.ca/advisory-committee. All members of the committee are long time Port Alberni residents.

The committee then advertised for a consulting company to submit the license application. There were four proposals submitted. The best fit was DRH Consulting. DRH Consulting is based in Port Alberni (they share an office with the Huu-ay-aht on 3rd Avenue), and employs many local people. The forester (myself) and business expertise (Ray Bartram, MBA, RFT) have both been working in the Alberni Valley for many years (and I lived in Port for 3 years), though we both now live in Qualicum Beach. We both have spouses whose work is elsewhere on the island, and Qualicum Beach is a central location.

It appears from our discussions that the advisors have a very balanced view of resource use in the community forest. These people live, work, and recreate in Port Alberni. They enjoy the views, and several live on Sproat Lake and are concerned about the water quality. Unlike an industrial setting where the management is accountable to the company shareholders, the community forest managers are accountable to the community stakeholders. Industrial logging requires maximizing values, and minimizing net-downs in the timber harvesting landbase reserved for other non-timber values. A community forest may choose the balance they wish to maintain between harvesting and non-timber values. The community of Port Alberni appears to be indicating that they do not want a money losing venture (it should not cost the tax payers anything), but they also do not require the community forest to maximize timber value. Profits from harvesting may also be reinvested in the land base into recreational upgrades, access roads, and trails. The type of silviculture system used for harvesting, will therefore, be of a different nature to an industrial setting, as the outcomes of the community forest differ from outcomes required by industry.

Input from the community indicates that they agree that third party certification is a positive step; but it may be financially out of reach for a small operation. It appears to be as onerous to certify an 18,000m³ operation as a 1 million m³ operation. This is something we need to investigate further as it simply may not be in our budget. Further consultation is required, but my feeling is that what the community finds appealing about certification is the advisory group required. A commitment to base major decision making processes on a community consensus process such as an advisory group could be implemented through a Management Plan commitment rather than a certification process.

Although our "official" period of public input ends at the end of October (our survey and open houses) we are always open for further input. I needed to cut off the survey date so that I could start working on the Management Plan. The Management Plan for the licence application is required to adjust the harvest level based on the community objectives. This does not preclude the community forest from developing other management objectives after the Management Plan is written; as long as they do not conflict with objectives in the plan. I doubt there will be many conflicts as the major community objectives: mitigate impact of harvesting on water, wildlife, trails, and views (in consultation with the community) have already been communicated. There is always an

01/10/2007

opportunity to amend our Management Plan after we receive the licence if any major changes are required.

I hope this puts your mind at ease. If you would like to come to an advisory group meeting our next one is October 9th at noon at City Hall. Here is the agenda:

- The License application business plan (Ray is currently working on this).
- The results of the survey and what the advisors heard from the community at the open houses and fall fair and how that will feed into the Management Plan. I will forward a survey summary at the end of the month when all the survey results are in.
- Keith Hunter from First Nations Wildcrafters (information below) has some ideas and potential projects for using non-timber forest resources (salal, boughs, berries, mushrooms) from the Community Forest. I thought it would be worthwhile for him to talk to the whole group.

Please let me know if you will be in attendance as we need to plan for food and seating.

Cindy Hutchison, RPF

From: John or Diane Mayba []
Sent: September 28, 2007 9:38 AM
To: Cindy Hutchison, Forest Consulting
Subject: Re: Thank you for responding to our survey

Hi Cindy,

Thanks to your reply.

As vice president of the Sproat Lake Community Assoc. I am willing to speak to SLCA about writing a letter of support for the Community Forest initiative. My main concern is that the management board be composed of a cross section of people from the community so that all voices may be not only heard but listened to on this important and challenging project. My understanding is that the management board is currently composed of people who are all "retired loggers" and that they are all from out of town. Can you give me more info on this because it seems like such a board would have some pretty strong ideas about how things should be done at the outset and if they are not even from our community I'm wondering how much of an understanding they may have of our needs.

I am also wondering if it would be possible to extend the period of public input until say the end of Oct.

Thanks for your continued help.

Best wishes,

John Mayba

Cindy Hutchison, Forest Consulting wrote:

John: Thank you very much for responding to the Port Alberni Community Forest survey.

You asked the following question:

The BC Community Forests home page also states that "harvest rates and exact locations

within the tenure can be set to meet locally determined objectives and interests." I wonder why our rates of harvest have already been set since I am not aware that our "objectives and interest" have been established.

01/10/2007

In 2004 when the Forest Minister Michael de Jong extended an invitation to the City of Port Alberni to apply for a community forest agreement the City of Port Alberni was invited to apply for a licence with an Allowable Annual Cut (AAC) of 20,000 m³. The Ministry of Forests and Range (MoFR) then went into consultation with First Nations to determine an appropriate land base. Though not required to do so, the MoFR commissioned a Timber Supply Analysis to determine if the harvest level needed to realize the Minister's invitation of 20,000m³ could be produced by the proposed land base.

The Timber Supply Analysis indicated the proposed land base could support a harvest level of 18,000m³. However, some assumptions were made in the analysis that do not reflect local community values. For example, an assumption was made that all harvesting would be based on a clearcut silviculture system. Feedback from the community and First Nations indicates that they have no appetite for this system. Harvesting will therefore need to be done with a retention, or partial cutting silviculture system. The level of retention will have to be added to the Timber Supply Analysis as a "net-down" from the proposed timber harvesting land base, and will result in a reduction to the AAC.

The application process requires that the proponent create an initial Forest Management Plan. The management plan indicates what the local objectives are, and proposes strategies to achieve these objectives. Many objectives will require further land area to be set aside. The Timber Supply Analysis will again need to be done, and the expectation is that the harvest level will be lower than the initial 18,000 m³.

The community consultation process and the forest management survey that you completed will help to contribute input to the objectives. Some objectives will be in conflict with other objectives and a balance, or the most practicable solution, will have to be found. Input has shown that the people want the community forest to "not lose money". They would like profits for community projects, but they also want to protect water, wildlife, and trails (to name a few). The goal of the Community Forest Advisory Board is to create a community forest that we can all be proud of, and possibly showcase to the world. In consultation with hydrologists, wildlife biologists, trail users, and the community, we are looking to create a win-win for all members of the community, and find the balance where we can harvest profitably, with sensitivity to non-timber values.

Cindy Hutchison, RPF
Consulting Forester
Port Alberni Community Forest

01/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: October 1, 2007 1:03 PM
To:
Cc:
Subject: Port Alberni Community Forest Question Answered

Shayne:

Thank you very much for visiting our booth at Glenwood Centre during National Forest Week. You wrote a question on our guest sign-in sheet: ***When do we get started?***

Several things must occur before the City of Port Alberni is placed in a position where they can manage the proposed Community Forest land base:

- ✱ A formal offer must be made by the Ministry of Forest and Range (MoFR) to allow the City of Port Alberni to apply for the Community Forest Licence agreement. The MoFR is in the process of removing the area from Western Forest Products TFL 44. The area cannot be formally offered to the City of Port Alberni prior to removal from the TFL tenure agreement.
- ✱ The City of Port Alberni must submit an application for a five-year probationary licence agreement. The application requires that the city complete a public consultation process, a forest management plan, and a business plan. The Timber Supply Analysis must be adjusted to reflect community values and objectives communicated during the public open houses and via the website and paper survey – a new harvest level from the proposed land base will be set based on the outcome of the timber supply analysis.
- ✱ The MoFR must review and approve the application and then complete a licence agreement contract with the City.
- ✱ The City must then prepare a Forest Stewardship Plan for the Community Forest License, fulfilling the requirements of the Forest and Range Practices Act. This plan requires further public consultation.
- ✱ The first cutblock must be engineered. Further consultation with the public is expected ensuring that cutblock design is aligned with public objectives for specific harvest areas.
- ✱ A cutting permit must be issued by the MoFR.
- ✱ Harvesting of the first cutblock is expected to occur in early to mid 2008.
- ✱ Profits from harvesting in the Community Forest will be returned to the City of Port Alberni for use by the community (for community projects; infrastructure; and/or to be reinvested in the community forest (for example, for upgrades to roads access, trails upgrade, recreation infrastructure improvements, and the promotion of increase non-timber forest product use within the land base).

For more information on the Port Alberni Community Forest please visit our web site at communityforest.ca.

Regards,

Cindy Hutchison, RPF
Consulting Forester
Port Alberni Community Forest

01/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: October 4, 2007 3:13 PM
To:
Subject: Thank you for responding to our survey

Hi Larry

Thanks for responding to the Port Alberni Community Forest survey and dropping it off at City Hall.

You indicated that you would like to see "the long term plan for sustainable forestry and harvesting". In forestry jargon we call that the Forest Management Plan. A forest management plan is not yet available, but will need to be prepared for the Community Forest licence application. We expect to have a draft by the beginning of November 2007, and will post it online at www.communityforest.ca.

The management plan proposes a harvesting level based on a Timber Supply Analysis. The Timber Supply Analysis is a computer program that calculates (based on the growth rate of tree species and timber harvesting land base) how much a licensee can harvest each year. The land base available for timber harvesting depends on management goals and objective. The goals and objectives will be derived from the answers given to the survey you filled out, as well as discussions that occurred during public consultation. Consultation includes (but is not limited to) open houses, booths at the fall fair and national forest week, as well as informal discussions between the community forest advisory committee and public and first nations stakeholders).

Keep your eyes on our web site for updates.

I hope this answers your question. Please let me know if you have further questions.

Regards,

Cindy Hutchison, RPF
Consulting Forester
Port Alberni Community Forest

04/10/2007

Alberni Valley Community Forest

From: Cindy Hutchison, Forest Consulting []
Sent: October 4, 2007 3:25 PM
To:
Subject: Thank you for responding to our community forest survey

Hi Dave:

Thanks for responding to the Port Alberni Community Forest survey and dropping it off at City Hall.

On the survey you indicated that you would like to see "progress bulletins". I have added you to the Community Forest Stakeholders email distribution list. I have not yet sent out any new information, but when it is available you will be updated.

Please let me know if you have any further questions or requests.

Regards,

Cindy Hutchison, RPF
Consulting Forester
Port Alberni Community Forest

04/10/2007

Appendix H Letters of Support



Tseshah
First Nation

RECEIVED

SEP 12 2007

CITY OF PORT ALBERNI

P.O. Box 1218, Port Alberni, B.C. Canada V9Y 7M1

Tel: (250) 724-1225

Fax: (250) 724-4385

The Honourable Rich Coleman
Minister of Forests and Range
PO Box 9049
STN Prov Govt.
Victoria B.C.
V8W 9E2

Dear Sir

RE: City of Port Alberni Community Forest Application

This is to advise that the Tseshah First Nation is fully supportive of the City of Port Alberni's Community Forest Initiative.

The City of Port Alberni and the Tseshah First Nation have a good working relationship and we look forward to discussing partnering potentials with the City once their community forest is realized.

Thank you for your serious consideration this application.

Yours Truly,

A handwritten signature in black ink, appearing to be 'Les Sam'.

Les Sam
Chief Councilor
Tseshah First Nation

Nuu-chah-nulth Nation

Robert Gunn
5115 Gordon Avenue
Port Alberni, B.C., V9Y 6T5
October 1, 2007

Darren Hiller
DRH Forest Consulting
3483-3rd Ave
Port Alberni, BC, V9Y 4E4

Dear Mr. Hiller

RE: Submission for Community Forest

The Alberni Valley Outdoor Club has had a long-time interest in the areas being considered as a Community Forest, and several of our members attended the Open Houses. We support the idea of having a Community Forest, particularly as it is intended to give local level input into forest management. This area is seen by many as an extension of their back (or front) yards, and we appreciate your efforts to involve the public.

We were pleased to see that existing trails are included on the map base. We hope that this is taken into account when cutting plans are being developed, so that the integrity of these trails is preserved.

The Community Forest area, being close to town, and having such varied terrain, has great potential for additional recreational development. More low-level trails could be built alongside streams, and through old-growth to rocky lookouts. We would like to work through the Regional District's Trails Committee with the Community Forest planners so as to minimize the effects of the trails on harvesting.

In addition, there will be opportunities to shorten access to the alpine areas as new roads are developed. We would like to provide input through the Trails Committee about which roads would be the most essential to keep accessible.

Finally, we endorse with enthusiasm the option in your questionnaire that Community Forest revenues be reinvested in the forest for trails and habitat creation. We would welcome the opportunity to work with forestry planners to maximize the recreational values of the Community Forest.

Yours truly,



Robert Gunn
President, Alberni Valley Outdoor Club

Cindy Hutchison, Forest Consulting

From: Darren De Luca [dfdeluca@shaw.ca]
Sent: December 3, 2007 10:32 AM
To: communityforest@drhconsulting.ca
Subject: Guide Outfitter support

Hi Cindy,

Just a note to let you know I had a look at the maps and I do not have any problems with the development plan as proposed. Good luck with the project.

Sincerely,

Darren DeLuca
Vancouver Island Guide Outfitters

06/02/2008



February 6, 2008

Ken Watson, City Manager
4850 Argyle Street,
Port Alberni, British Columbia
V9Y 1V8

Re: Port Alberni Community Forest Letter of Support

Dear Ken:

On behalf of BC Timber Sales (BCTS), I am writing to express my strong support for the establishment of the Port Alberni Community Forest. BC Timber Sales (BCTS) enthusiastically supports the City of Port Alberni in its application to obtain a Community Forest Licence on Crown Land. The creation of such a Community Forest will undoubtedly have lasting benefits for all that live, work and recreate in the Port Alberni Valley.



BCTS values its ongoing relationship with the City of Port Alberni and looks forward to working cooperatively as neighbouring forest land managers in the near future.

Yours truly,

Blair Pigeon, RPF, MBA
Area Forester Port Alberni
Strait of Georgia Business Area

Ministry of Forests and
Range

BC Timber Sales
Port Alberni Field Team
Strait of Georgia Business Area

Location: Port Alberni, BC

Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Tel: (250) 731-3000
Fax: (250) 731-3010

February 12, 2008

Attn: Ken Watson
City Manager, City of Port Alberni
4850 Argyle Street
Port Alberni, BC V9Y 1V8

Dear Ken:

Subject: Alberni Community Forest Application

Congratulations on your upcoming application for a probationary Community Forest Licence.

Western Forest Products Inc's Great Central Lake Operating Area (in TFL 44) lies to the north (over the height of land) of the Sproat area of the proposed Alberni Valley Community Forest. Although the area of the community forest is currently within TFL 44, we expect it to be reallocated shortly.

As Contract Manager of WFP, Port Alberni Forest Operation, I assure you that we support the City of Port Alberni in their application for a Community Forest Licence and wish the City success in this endeavour. I look forward to exploring future business relationships with the City.

Yours truly,



Kevin Somerville, RPF
Contract Manager

WESTERN FOREST PRODUCTS INC.

Port Alberni Forest Operation, PO Box 2001, 1080A Franklin River Road, Port Alberni, BC V9Y 7N3
Telephone: (250) 720-4200 • Fax: (250) 720-4252



ALBERNI-CLAYOQUOT
REGIONAL DISTRICT

3008 Fifth Avenue, Port Alberni, B.C. CANADA V9Y 2E3

Telephone (250) 720-2700 FAX: (250) 723-1327

March 10, 2008

Ken Watson
City Manager
City of Port Alberni
4850 Argyle Street,
Port Alberni, BC
V9Y 1V8

Dear Ken,

Congratulations on your upcoming application for a probationary community forest licence. The community forest is located within Electoral Area "D" (Sproat Lake) of the Alberni-Clayoquot Regional District.

The Regional District supports the City of Port Alberni's application for the community forest and wishes the City success in this endeavour. We look forward to future cooperation between the Regional District and the City on the community forest.

Yours truly,

Hira Chopra
Chairperson

Members: City of Port Alberni, District of Ucluelet, District of Tofino
Electoral Areas "A" (Bamfield), "B" (Beaufort), "C" (Long Beach), "D" (Sproat Lake), "E" (Beaver Creek) and "F" (Cherry Creek)



Island Timberlands LP
65 Front Street, 4th Floor
Nanaimo, BC V9R 5H9

Tel (250) 468-6830
Fax (250) 468-6829
www.islandtimberlands.com

April 2, 2008

Ken Watson
City Manager, City of Port Alberni
4850 Argyle Street,
Port Alberni, BC, V9Y 1V8

Dear Mr. Watson,

Congratulations on your upcoming application for a probationary community forest license.

Island Timberlands' private lands lie to the east and share a common boundary with the Sproat Operating Area of the proposed Community Forest.

Island Timberlands supports the City of Port Alberni in their application for a Community Forest License. We look forward to a continued mutually beneficial working relationship with the City on this and other initiatives.

Sincerely,

Makenzie Leine, RPF
Manager of Sustainability and Community Affairs
Island Timberlands Limited Partnership
mleine@islandtimberlands.com





Hupacasath First Nation
Ph. (250) 724-4041
Fx. (250) 724-1232

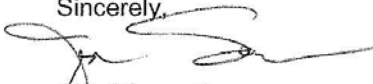
5500 Ahahaswinis Drive
Box 211
Port Alberni, BC
V9Y 7M7

April 22, 2008

RE: Letter of Support for Alberni Valley Community Forest

As the City of Port Alberni has consulted with us throughout the application process due to the proposed area being within our traditional territory, as well as accommodated our concerns expressed through this process, the Hupacasath First Nation provide their full support to the City of Port Alberni for their application for a Community Forest License.

Sincerely,



Chief Councilor
Judith Sayers

Appendix I Projected Financial Statements and Basic Financial and Cost Assumptions

I.1 Basic Financial and Cost Assumptions

The following assumptions were used when preparing the Financial Statements:

I.1.1 Sales Assumptions:

- Used 17,500m³ as a sales volume, which is AAC less waste and residue.
- The species mix was identified in each projected cutblock from field reviews or forest cover maps.
- Adjacent logged cutblocks were used as surrogates to model grade distribution.
- February 2007 sales values by grade for second growth, and averages by species for old growth were used. The Cedar prices were discounted as they are at a cyclical high. The sales values were additionally discounted by 10% for the May 2008 budget.
- Modeled old growth using TSA and TFL grade history.

I.1.2 Forestry Costs:

- Includes all costs to get the cutblock to “free growing”.
- Expected to be higher in the low elevation second growth due to root rot, and brush competition.
- Most of the cost is in the first few years after harvest with stumping, hazard abatement, planting and maple control.
- Forestry liabilities can continue for 10 to 14 years, sometimes even longer on slow growing sites.
- Projected on a cutblock by cutblock basis to be between \$2.47/m³ and \$6.86/m³.

I.1.3 Planning Costs:

- Field engineering includes all required assessments and application preparation, which varies by timber and terrain.
- Projected as \$2.70m³ for second growth layout.
- Projected as \$3.20m³ for conventional old growth layout.

- Management of the licence includes harvest planning, forestry, stumpage, contract management, log sales and accounting.
- Includes AAC rental and fire preparedness levy of \$0.37 or \$6660 annually.
- Management services projected at \$2.50/m³.
- Licence acquisition and preparation of the first Forest Stewardship Plan projected at \$1.20/m³ on the first 87,500m³

1.1.4 Harvesting Cost Assumptions:

- Fall and process second growth stands: \$8.00/m³
- Handfall old growth stands: \$6.00/m³
- Hoechuck: \$4.75/m³.
- Grapple yarding: \$12.50/m³.
- Loading: \$3.50/m³.
- Hauling: (estimated 60/km/hr average) \$0.05 x km x 2 + \$2.20/m³ load and dump.
- Helicopter logging with falling support: \$58.50/m³.
- Landing buckers: \$1.25/m³.
- Dryland sort/scale and boom: \$9.00/m³.
- Sproat roads: \$50000 to \$60000/km.
- Taylor Roads: \$95000 to \$110000/km.

1.1.5 Marketing and Transportation Assumptions

- Old growth sold at Sproat drysort or other local customers.
- Second growth Hemlock and Balsam and a portion of the old growth direct hauled to Catalyst weigh scale.
- Second growth Douglas Fir direct hauled to markets on the east coast.

1.1.6 Other Cost Assumptions:

- Recreational improvements on the forest lands are anticipated to be 0.5% of net revenue.

- Incremental silviculture is anticipated to be funded by outside sources as a revenue neutral cost.

I.2 *Projected Financial Statements*

AVCF 2008 -2012 Projected Harvest Plan

AVCF Projected Harvesting Plan

May 6, 2008

Harvesting m3	Feb 07/est	Sales m3	Cost per m3	Stumpage	Plan	Forestry	Volume	2008	2009	2010	2011	2012	Total
Block 2	70.43	63.39	40.06	3.36	2.70	5.26	10200	10200					10,200
Block 3	83.56	75.20	39.88	4.03	2.70	5.28	8000	7300	700				8,000
Block 4	80.02	72.02	35.05	4.43	2.70	5.22	13600		13600				13,600
Block 5	70.80	63.72	32.92	4.39	2.70	5.22	15700						-
Block 11	78.00	70.20	35.69	5.61	3.20	2.50	7300		3200	4100			7,300
Block 13	78.00	70.20	36.15	5.61	3.20	3.14	13800				1000	12800	13,800
Block 22	64.20	57.78	33.40	3.46	3.20	2.47	21000			10000	6000		16,000
Block 9	70.80	63.72	36.67	4.39	2.70	4.54	10500				10500		10,500
Block 7	90.50	81.45	32.77	4.49	2.70	2.33	24000			3400		4700	8,100
Total							124100	17500	17500	17500	17500	17500	87500
5 year													87500

Value Improvement/decrease **0.90**

Road Construction	\$/km	To Build	2008	2009	2010	2011	2012	Total
Block 2	50000	0.4	0.40					0.4
Block 3	50000	1.5	1.50					1.5
Block 4	50000	1.2		1.20				1.2
Block 5	55000	0.7						0.0
Block 11	95000	1.1		1.10				1.1
Block 13	95000	2.9				1.00	1.90	2.9
Block 22	100000	1.0			1.50			1.5
Block 9	55000	0.3				0.30		0.3
Block 7	60000	2.0			0.60		0.50	1.1
Total		11.1	1.9	2.3	2.1	1.3	2.4	10.0

Road Maintenance Projects	\$/km	2008	2009	2010	2011	2012	Total
Block 2	\$ 15,000	0.45	0.45				0
Block 3	\$ 15,000	0.60	0.60				1
Block 4	\$ 15,000	1.00	1.00				1
Block 4 bridge	\$ 65,000	1.00		1.00			1
Block 5 bridge	\$ 115,000	1.00				0.50	1
Block 5 roads	\$ 15,000	1.00					
Block 11	\$ 15,000	2.00	2.00	0.00			2
Total		7.05	2.05	3.00	0.00	0.50	5.55

AVCF 2008 - 2012 Projected Income Statement

1

May 6, 2008	2008	2009	2010	2011	2012	Total
Harvesting Revenue	1,195,537	1,256,728	1,142,550	1,085,940	1,281,375	5,962,129
Primary Harvesting Costs:						
Market Logging Contract						-
Logging Operations	699,736	618,804	591,747	621,585	616,739	3,148,611
R & M - Bridges & Roads	30,750	95,000	-	-	57,500	183,250
Road Building	95,000	164,500	186,000	111,500	210,500	767,500
Road Deactivation		3,000	3,000	3,000	3,000	12,000
Depreciation - Bridges & Roads						-
Stumpage & Royalty	63,691	81,021	72,867	72,465	92,911	382,955
Silviculture	92,196	82,688	42,872	65,630	51,143	334,529
Waste & Residue (0.27/m3)	4,725	4,725	4,725	4,725	4,725	23,625
Insurance (0.16/m3)	2,800	2,800	2,800	2,800	2,800	14,000
Total Primary Harvesting Costs	988,898	1,052,538	904,011	881,705	1,039,318	4,866,470
Other Revenue (firewood permits etc)						-
Forest Management Costs:						
Engineering						
Contract Services	47,250	48,850	54,300	50,750	53,650	254,800
Supplies						-
Total Engineering Costs	47,250	48,850	54,300	50,750	53,650	254,800
Planning & Management						
Forest Management Contract	43,750	43,750	43,750	43,750	43,750	218,750
FSP & Licence Aquisition 2008-2012	21,000	21,000	21,000	21,000	21,000	105,000
Total Planning Costs	64,750	64,750	64,750	64,750	64,750	323,750
Road Management						
Certification						-
AAC Rental (18156@0.37)	6,718	6,718	6,718	6,718	6,718	33,590
Recreation 0.5% of net revenue	5,978	6,284	5,713	5,430	6,407	29,811
Safety	1,000	1,000	1,000	1,000	1,000	5,000
Total Forest Management Costs	125,696	127,602	132,481	128,648	132,525	646,951
General & Administrative Costs:						
Accounting (Audit & Month Ends)	5,000	5,000	5,000	5,000	5,000	25,000
Legal	2,500	2,500	2,500	2,500	2,500	12,500
Interest						
Shareholders Loan						-
additional Loans @ xx%						-
Total Interest	-	-	-	-	-	-
Public Relations						-
Bank Charges & Interest	300	300	300	300	300	1,500
Board Operations						
Meetings						-
Total Board Costs	-	-	-	-	-	-
Strategic Planning						-
Total General and Administrative Costs	7,800	7,800	7,800	7,800	7,800	39,000
Projected Total Income	73,143	68,788	98,258	67,787	101,732	409,709

**AVCF 2008-2012 Plan
Cash Flow Analysis**

1

























May 6, 2008	2008	2009	2010	2011	2012	
Opening Cash	105,001	141,340	205,059	266,038	386,158	
<i>Harvesting Revenue</i>	<i>1,195,537</i>	<i>1,256,728</i>	<i>1,142,550</i>	<i>1,085,940</i>	<i>1,281,375</i>	<i>5,962,129</i>
Primary Harvesting Costs:						
Market Logging Contract						
Logging Operations	699,736	618,804	591,747	621,585	616,739	3,148,611
R & M - Bridges & Roads	30,750	95,000	-	-	57,500	183,250
Road Building	95,000	164,500	186,000	111,500	210,500	767,500
Road Deactivation		3,000	3,000	3,000	3,000	12,000
Stumpage & Royalty	63,691	81,021	72,867	72,465	92,911	382,955
Silviculture @ 80% of liability start 2009	10,000	73,757	66,150	34,298	150,324	334,529
Waste & Residue (\$0.27m3)	4,725	4,725	4,725	4,725	4,725	23,625
Insurance (\$0.16/m3)	2,800	2,800	2,800	2,800	2,800	14,000
Total Primary Harvesting Costs	906,702	1,043,607	927,289	850,373	1,138,499	4,866,470
<i>Other Revenue</i>						<i>-</i>
Forest Management Costs:						
Engineering						
Contract Services	47,250	48,850	54,300	50,750	53,650	254,800
Total Engineering Costs	47,250	48,850	54,300	50,750	53,650	254,800
Planning						
Contract Services	43,750	43,750	43,750	43,750	43,750	218,750
FSP & Licence Acquisition	105,000					105,000
Total Planning Costs	148,750	43,750	43,750	43,750	43,750	323,750
Certification						-
AAC Rental (18156@0.37)	6,718	6,718	6,718	6,718	6,718	33,590
Recreation 0.5% of net revenue	5,978	6,284	5,713	5,430	6,407	29,811
Safety	1,000	1,000	1,000	1,000	1,000	5,000
Total Forest Management Costs	209,696	106,602	111,481	107,648	111,525	646,951
General & Administrative Costs:						
Accounting (Audit & Month Ends)	5,000	5,000	5,000	5,000	5,000	25,000
Legal	2,500	2,500	2,500	2,500	2,500	12,500
Interest						
Shareholder Loan						-
Loan Repayment	35,000	35,000	35,001			105,001
Loan #2						-
Total Loans	35,000	35,000	35,001	-	-	105,001
Public Relations						-
Bank Charges & Interest	300	300	300	300	300	1,500
Board Operations						
Meetings						-
Total Board Costs	0	-	-	-	-	-
Strategic Planning						-
Total General and Administrative Costs	42,800	42,800	42,801	7,800	7,800	144,001
Total Cash inflow (outflow)	36,339	63,719	60,979	120,120	23,551	304,708
Ending cash Balance	141,340	205,059	266,038	386,158	409,709	304,708

AVCF Proforma Balance Sheet
Years ending December 31

Balance Sheet As at 12/31	2008	2009	2010	2011	2012
ASSETS					
Current Assets					
Total Cash	105001	141,341	205,060	266,039	386,159
Accounts Receivable					
Prepaid Expenses					
Prepaid Engineering					
Total Current Assets		\$ 141,341	\$ 205,060	\$ 266,039	\$ 386,159
Capital Assets					
Bridges					
Roads					
Total Capital Assets		\$ -	\$ -	\$ -	\$ -
Other Assets					
Licence & FSP		84,000	63,000	42,000	21,000
Total Other Assets		\$ 84,000	\$ 63,000	\$ 42,000	\$ 21,000
TOTAL ASSETS		\$ 225,341	\$ 268,060	\$ 308,039	\$ 409,710
LIABILITIES					
Current Liabilities					
Accounts payable					
Loan #1		70,001	35,001	0	0
Loan #2					
Total Current Liabilities		\$ 70,001	\$ 35,001	\$ -	\$ -
Long term Liabilities					
Silviculture Accrual Liability		\$ -	\$ -	\$ -	\$ -
Total Long Term Liabilities		\$ 82,196	\$ 91,127	\$ 67,849	\$ 99,181
TOTAL LIABILITIES		\$ 152,197	\$ 126,128	\$ 67,849	\$ 99,181
EQUITY					
Common Shares		1	1	1	1
Retained Earnings - Previous Year		0	73,143	141,931	240,189
Current Earnings		73,143	68,788	98,258	67,787
TOTAL SHAREHOLDERS EQUITY		\$ 73,144	\$ 141,932	\$ 240,190	\$ 307,977
LIABILITIES AND EQUITY		\$ 225,341	\$ 268,060	\$ 308,039	\$ 409,710

Appendix J Acknowledgements

Many thanks to the people who made this application possible:

-  Brandy Lauder, Natural Resources, Hupacasath First Nation.
-  Cindy Stern, Chief Operating Officer, Tseshah First Nation.
-  Dan Powell, Forest Operations Manager, retired, AVCF Advisory Committee.
-  Darren Hiller, Owner, DRH Forestry Consulting.
-  Dave Bishop, Forest Engineer, retired, AVCF Advisory Committee.
-  Dave Preedy, GIS technician, DRH Forestry Consulting.
-  Don Dowling, Forest Engineer, retired, AVCF Advisory Committee.
-  Dr. John Nelson, Professor and Program Director, Department of Forest Resources Management, University of British Columbia.
-  Emma Neill, Woodlot Forester, The Ministry of Forests and Range.
-  Gary Swann, Director of the Alberni Environmental Coalition, Director of the Ecoforestry Institute, and member of the, AVCF Advisory Committee.
-  Jack McLeman, Port Alberni City Councillor, AVCF Advisory Committee.
-  Jack Tsai, Port Alberni Online.
-  Keith Hunter, First Nations Wild Crafters (www.FirstNationsWildcrafters.com)
-  Ken McRae, Mayor of Port Alberni, AVCF Advisory Committee.
-  Ken Watson, Port Alberni City Manager, AVCF Advisory Committee.
-  Kevin Hunter, Forest Engineer, President Western Vancouver Island Industrial Heritage Society.
-  Les Sam, Chief of the Tseshah First Nation.
-  Neil Malbon, General Manager of the Mclean Mill National Historic Site and Alberni Pacific Railway, AVCF Advisory Committee.
-  Penny Côté, Director, Electoral Area "D", Sproat Lake, Alberni-Clayoquot Regional District, AVCF Advisory Committee, Sproat Lake Community Association Director.
-  Peter Kofoed, Western Forest Products Limited.
-  Ross Pettit, GIS specialist, Cypress Geographics.
-  Sandy McRuer, RPF, Owner, Vancouver Island Nature Tours (Rainbird Excursions) (www.vancouverislandnaturetours.com).
-  Trevor Jones, Chief Executive Officer, Hupacasath First Nation.
-  Warren Lauder, Natural Resources/Woodlot Manager, Hupacasath First Nation