

**SUSTAINABLE FOREST  
MANAGEMENT PLAN:  
2007 ANNUAL PERFORMANCE  
REPORT**

**Radium Defined Forest Area**

**Reporting Period-  
January 1, 2007 - December 31, 2007**

**April 30, 2008**



## Executive Summary

This report is the second annual report of the Sustainable Forest Management Plan for the Radium defined management area and is for the calendar year of 2007. The report summarizes the progress and performance made by the licensees to achieve the results committed to under the Radium DFA Sustainable Forest Management Plan. Where needed, recommendations are provided to improve the SFM plan and management practices on the ground.

Canadian Forest Products Ltd- Radium (Canfor) and BC Timber Sales-Invermere TSA, are participants and signatories to the SFM plan. Canfor and BCTS are reported separately within the report. Currently, Canfor is certified by third party verification to the ISO 14001 standard and the CSA Z809 SFM standard. BCTS is currently certified to by third party verification to the ISO 14001 standard.

2007 continued to be a financially difficult year for the forest industry. Many factors have impacted Canfor from record low lumber prices, the rise in value of the Canadian dollar to record highs and dramatically decreasing North American housing starts. Radium has seen shut down periods for the sawmill and stringent cost-cutting measures implemented to continue to be a viable business.

Mountain pine beetle (MPB) continued to be a great concern for Canfor and BCTS in 2007.

The measures of sustainability in the SFM plan evaluate the licensee's achievements in the major category areas of Ecological, Economic and Social values.

Each value area has a suite of associated measures and targets that the licensees have committed. The following table summarizes the licensees overall achievements of meeting the assigned targets:

| Classification            | Ecological |      | Economic |      | Social |      |
|---------------------------|------------|------|----------|------|--------|------|
|                           | Canfor     | BCTS | Canfor   | BCTS | Canfor | BCTS |
| Number of Targets Met     | 27         | 27   | 14       | 13   | 27     | 26   |
| Number of Targets Not Met | 3          | 3    | 2        | 0    | 0      | 0    |
| Number of Targets Pending | 2          | 2    | 1        | 1    | 0      | 1    |
| Total Number of Targets   | 32         | 32   | 17       | 14   | 27     | 27   |

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## 1. Introduction

This Document is the second annual report of the Sustainable Forest Management Plan (SFMP) of the Radium, British Columbia Defined Forest Area (DFA). The Defined Forest Area is comprised of Canfor and BC Timber Sales operating areas within the Invermere Timber Supply Area. The annual report is an integral part of continual improvement of the 2006 SFMP. Secondly, this report is a part of the assessment to confirm Canfor continued implementation of the CSA Z809 SFM standard. The reporting period is January 1, 2007 to December 31, 2007 which provides the status of all measures locally developed through the Sustainable Forest Management Planning process.

### Canfor Commitments

Canfor believes in conducting its business in a manner that protects the environment and ensures sustainable forest management. On April 24, 2006, Canfor achieved sustainable forest management certification of the company's forestry operations under the Canadian Standards Association Sustainable Forest Management (SFM) standard-CSA Z809. Prior to CSA, Canfor achieved certification to the ISO 14001 certification on July 29, 2001.

The management of Canfor has set out a number of commitments which define the mission, vision, policies and guiding principles for the company. These include the Canfor Mission, Environment Policy and Forestry Principles. These commitments have been used to enable and guide the development of the Sustainable Forest Management Plan. In addition, they also commit to continual improvement of performance through implementing the plan under the principles of adaptive management.

Canfor's *Environmental Policy* and *Forestry Principles* detail the commitments to Environmental and Sustainable Forest Management for the Canfor Radium Defined Forest Area. More details of the Policy, Principles and the adaptive management process can be found in the SFMP document.

### BCTS Commitments

BC Timber Sales (BCTS) is a stand-alone organization within the Ministry of Forests and Range. They share the ministry's vision of "*diverse and sustainable forest and range values for B.C.*" and its mission to "*protect, manage and conserve forest and range values through a high-performing organization.*" BC Timber Sales was created to develop Crown timber for public auction to establish market price and cost benchmarks, and capture the value of the timber asset for the public. The vision of BC Timber Sales is to be "*an effective timber marketer generating wealth through sustainable resource management.*"

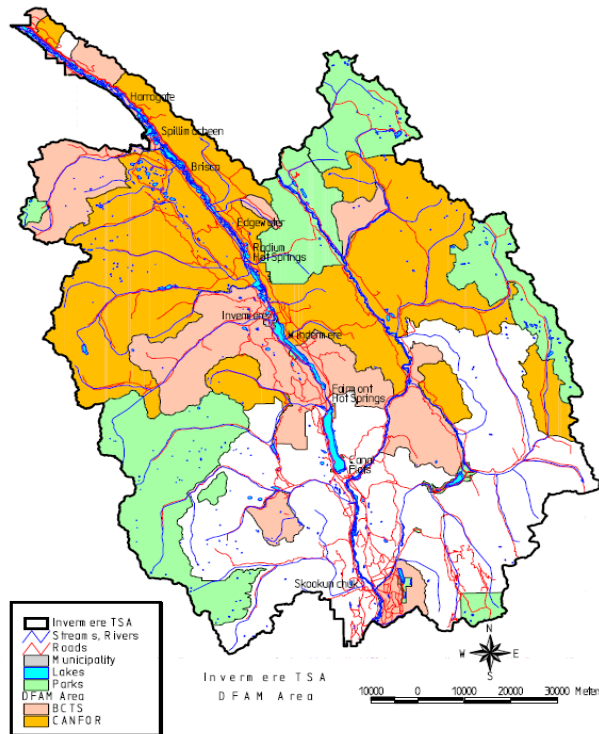
#### **BC Timber Sales, Kootenay Business Area – Sustainable Forest Management**

In the fall of 2004, BC Timber Sales; Kootenay Business Area, accepted an invitation to join with Canfor Radium Division to develop a Sustainable Forest Management Plan for their operations within the Invermere TSA. BCTS has committed to the SFM plan under its current registration to the ISO 14001 certification standard.

Jointly BCTS, Canfor and a public advisory group drafted a Sustainable Forest Management plan developing measures and targets to address a number of established indicators of sustainable forest management. The following documents the current status of meeting those targets.



**Figure 1. Radium Defined Forest Area – Canfor & BCTS Operating Areas**



Source: Interior Reforestation Co Ltd. 2006.

Criteria and indicators form the basis of a framework that assesses progress toward achieving the goal of sustainable forest management, where SFM is defined as:

*“the balanced and concurrent sustainability of forestry-related ecological, economic and social values for a defined area over a defined time frame.”* Source: Radium SFMP

Criteria are meant to be broad management statements describing a desired state or condition. Criteria are validated through the repeated, long-term measurement of associated indicators. They include vital ecological functions and attributes, as well as socio-economic benefits. Considered the foundation of our SFMP the framework of indicators are described and validated by a series of measures as outlined in this report.

**Table 1: Radium DFA Criteria & Indicators**

| Criterion   | Indicator  |
|---|--|
| <b>Ecological Values</b>  |  |
| C1. Biological richness and its associated values are sustained in the defined forest area (DFA)  |  |
|   | 1-1. Ecologically distinct habitat types are represented in an unmanaged state in the DFA to sustain lesser known species and ecological function  |
|   | 1-2. Negative trends in landscape features that affect forest-dwelling organisms are avoided   |
|   | 1-3. The amount, distribution, and heterogeneity of terrestrial and aquatic habitat type elements and structure important to sustain biological richness are sustained   |
|   | 1-4. Native forest-dwelling species or species guilds are well distributed throughout their range in the DFA   |
|   | 1-5. Government designated protected areas and sites of special biological significance are sustained at the site and sub regional level   |
|   | 1-6. Forest Management activities will conserve the genetic diversity of tree stock  |
| C 2. The productive capability of forest ecosystems within the Timber Harvesting Land Base (THLB) are sustained   |  |
|   | 2-1. Biological components of forest soils are sustained   |
|   | 2-2. Productive land-base loss as a result of forestry activities is minimized   |
|   | 2-3. Total growing stock of merchantable and non-merchantable tree species on forest land available for timber production  |
|   | 2-4. No net detrimental loss in productivity as a result of forest related slope instability   |
|   | 2-5. Natural disturbance levels and risk levels are managed for such that resistance to catastrophic change and the ability to recover on the landscape level is sustained   |
| C 3. Forest ecosystem contributions to global ecological cycles are sustained within the DFA  |  |
|   | 3-1. The total forest ecosystem biomass and carbon pool is sustained   |
|   | 3-2. The forest products carbon pool is maintained or increased  |
|   | 3-3. The processes that take carbon from the atmosphere and store it in forest ecosystems will be sustained  |
| <b>Economic Values</b>  |  |
| C 4. The flow of economic benefits derived from management unit forests through the forest industry is sustained  |  |
|   | 4-1. Timber harvesting continues to contribute to economic well-being  |
|   | 4-2. Citizens continue to receive a portion of the benefits  |
|   | 4-3. Governments continue to receive a portion of the benefits   |
|   | 4-4. Opportunities to share a portion of the benefits exist for local First Nations  |
|   | 4-5. Forest management contributes to a diversified local economy  |
|   | 4-6. Levels of forest damaging events or agents are managed such that their economic impact is minimized   |
| C 5. The flow of marketed non-timber economic benefits from forests is sustained  |  |
|   | 5-1. Amount and quality of marketed non-timber forest resources is sustained or enhanced over the long-term as a result of forest management activities  |
| C 6. Forest management contributes to a diversified local economy   |  |
|   | 6-1. Employment and income sources and their contribution to the local economy continue to be diversified  |
| <b>Social Values</b>  |  |
| C 7. Decisions guiding forest management on the management unit are informed by and respond to a wide range of social and cultural values   |  |
|   | 7-1. Forest management planning adequately reflects the interests and issues raised by the public (tenure holders, residents and interested parties) in the DFA through an effective and meaningful (to all participants) public participation process   |
|   | 7-2. Community understanding and capacity to participate in forest management planning is improved through information exchange between DFA forest resource managers and the public through a varied and collaborative planning approach in order to facilitate capacity building in the community |
| C 8. Forest management sustains or enhances the cultural (material and economic), health (physical and spiritual) and capacity benefits that First Nations derive from forest resources |  |
|   | 8-1. Aboriginal and treaty rights are respected  |
|   | 8-2. Local management is effective in controlling maintenance of, and access to, resources for First Nations   |
|   | 8-3. The relationship between forest management and First Nations culture is acknowledged as important   |
|   | 8-4. First Nations are provided with detailed, reciprocal knowledge pertaining to forest use as well as forest management plans prior to government approval and implementation  |
| C 9. Forest management sustains ongoing opportunities for a range of quality-of-life benefits   |  |
|   | 9-1. Resources and opportunities for recreation (including quality of experience) are maintained or enhanced   |
|   | 9-2. Visual quality of harvested/managed landscape is acceptable to a broad range of residents, stakeholders and visitors  |
|   | 9-3. Forest management conserves unique or significant places and features of social, cultural, spiritual importance (including protected areas) at the landscape and site levels  |
|   | 9-4. Worker and community safety is maintained within acceptable levels  |
|   | 9-5. Water resources will be sustained by maintaining water quality and quantity for domestic and community watersheds that are licensed for human consumption   |



## 2. Overview of Achievements

For the 2007 reporting year a total of 76 measures were examined. Overall, 68 of the measures achieved the targets specified in the SFMP and 3 measures are pending, see figures below.

Canfor did not achieve the target for one ecological measure (species habitat) and one economic measure (Non-Timber Forest Products) due to an incident when machine travel occurred in a Wildlife Tree Patch. Canfor also did not achieve the Return on Capital Employed measure for the second year in a row due to the poor lumber market conditions.

BCTS did not achieve the target for minimizing roads and landings within cutblocks due to small cutblock sizes and terrain constraints.

Both Canfor and BCTS exceeded the target for permanent access structures over the landscape as shown in a recent study assessing these structures. Future timber supply calculations will reflect the results of the study.

The SFMP process, including the Public Advisory Group process, has resulted in significant continuous improvements to forestry practices. The table below outlines these accomplishments.

**Figure 2. Canfor's measures achieved by Element area**

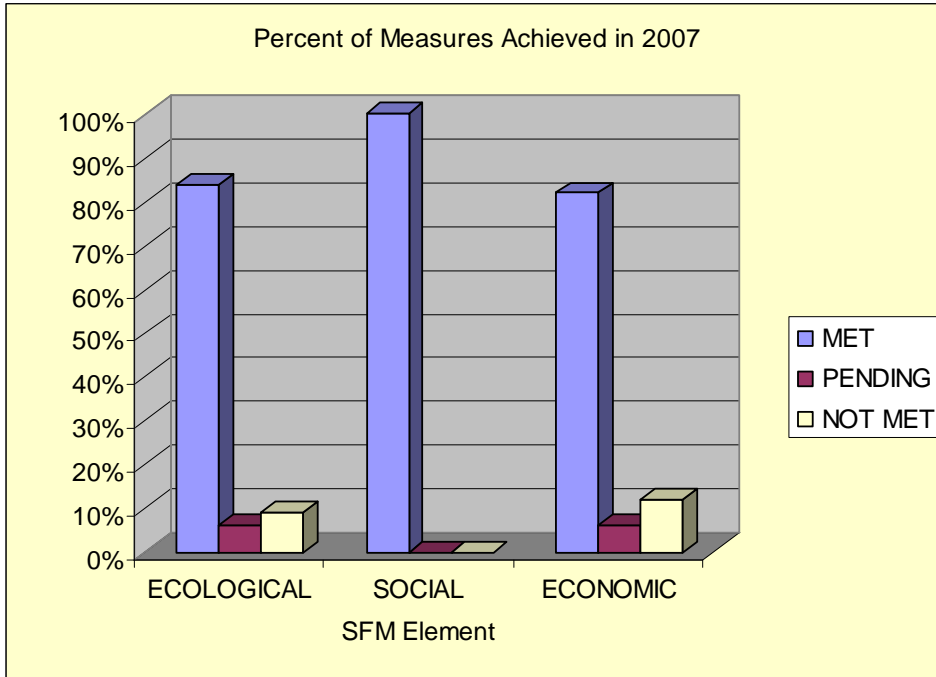
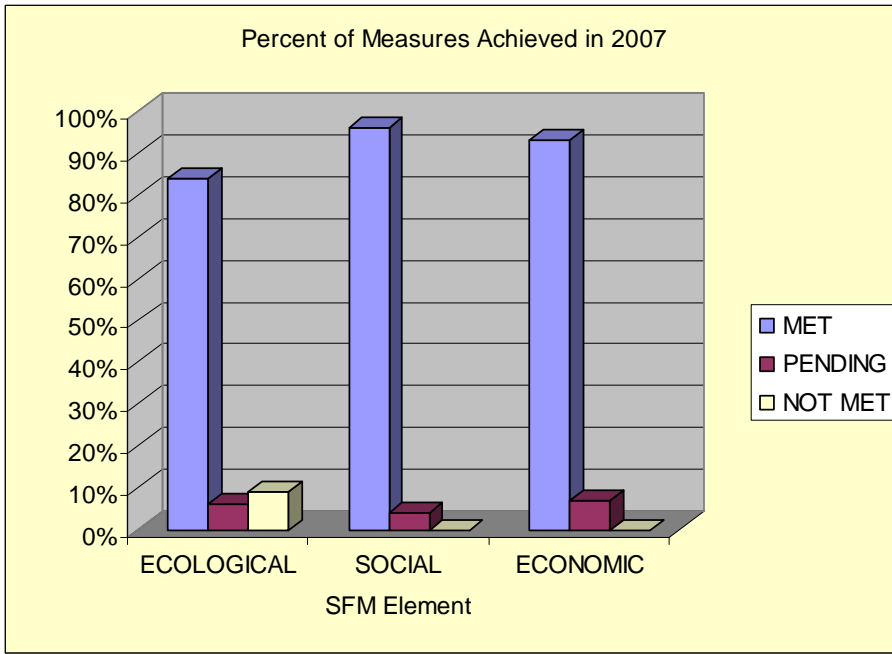


Figure 3. BCTS's measures achieved by element area. – UPDATE GRAPH



**Table 2: Summary of SFMP Accomplishments-CANFOR**

| <b>SFM Element</b>    | <b>Changed Practice or Increased Knowledge</b>   |
|-----------------------|--|
| Ecological            | New Species Accounting Systems that identifies all species in DFA and relates how forestry practices impact species groups habitat. Breeding Bird Survey Information is utilized to monitor species responses to habitat changes. Practices have been altered to minimize or eliminate impact to habitat. Eg Rare ecosystems- no harvest allowed   |
| Ecological- Social    | All SFMP indicators are monitored and reported annually to the public. Are we doing what we say we are doing? Practices have been changed or implemented to stay within the target thresholds establish by PAG. Eg- Wildlife tree retention targets, OGMA's, HCVF's, cut block sizes, mountain pine beetle salvage   |
| Social, Economic      | Completed Joint Learning and Knowledge Exchange (Communication Project) - Will help operations improve future community relations, communication and knowledge exchange of forestry practices. Implemented PAG process and random newspaper articles etc.  |
| Ecological- Social    | Determined the forest industries contribution/uptake of carbon to the atmosphere. Includes all practices from harvesting vehicles to sawmilling contribution and reforestation uptake of carbon. This is the first step towards implementing initiatives to reduce the carbon footprint of forestry and recognize how the forest industry helps uptake carbon from atmosphere. Recent initiatives include policies on turning lighting off when not needed at the Radium operations. |
| Economic              | Increase focused harvesting on salvaging mountain pine beetle attacked stands.   |
| Social                | Achieved certification as a SAFE company with the implementation of a comprehensive health and safety program in sawmill and woodlands operations. Medical Incident Rates have been reduced dramatically over the last 2 years.  |
| Ecological, Social    | Data base and identification of Non-Timber Forest Products. Operations have avoided sensitive habitat that support NTFP.   |
| Ecological            | Inventory and Tracking of Rare and Uncommon Ecosystems. Harvest operations are not allowed in rare and uncommon ecosystems. Layout practices have been altered to avoid these areas. Examples include rare riparian ecosystems or dry grasslands that support species at risk.   |
| Ecological- Social    | Inventory and Tracking of Unique or Special Sites and Features. Harvest operations are not allowed near unique or special sites or features. Layout practices have been altered to avoid these areas. Examples include animal licks, recreation sites, archeological sites, wildlife trees, wallows, etc.  |
| Ecological            | Implemented Old Growth Management Areas and Mature Management Areas in each landscape unit on the ground where harvesting is not permitted.  |
| Ecological- Economics | Mixed Severity Fire Regime and Return Intervals for the DFA. Harvest practices have been altered to reduce forest fragmentation, increase patch size distribution and retain forest structure to mimic local fire regimes and patterns on the landscape.   |
| Ecological            | Established High Conservation Value Forests (HCVF's) in the Invermere TSA. Operations are altered when within the HCVF's depending on the objectives and values of each HCVF. Operations vary from no harvest - retaining specific tree species- modified light harvest approaches.  |

### 3. Ecological Values

The following provides specifics of each ecological measure, target and results for both Canfor and BCTS. Where appropriate additional data and recommendations for improvement have been provided.

#### Measure 1-1.1 Ecosystem Representation

Number Size and type of distinct habitat types in both the THLB and NHLB and recommends proportion of area that should be represented in an unmanaged state.

| Target   | Canfor Results  | BCTS Results  |
|--|---|---|
| 25% of common ecosystem clusters (>10 000ha) will be reserved or managed to maintain or restore ecosystem function   | Canfor has achieved the targets                             | BCTS has achieved the targets                               |
| 0 ha of rare ecosystems clusters (<2000ha) will be harvested.  | No harvesting has occurred within rare ecosystems clusters. | No harvesting has occurred within rare ecosystems clusters. |
| For uncommon ecosystem clusters (>2000 ha and <10,000 ha), the amount reserved (or managed to maintain or restore ecosystem function) depends on the area of ecosystem group (See below) | Canfor has achieved the targets                             | BCTS has achieved the targets                               |

#### Canfor Invermere TSA Ecosystem Representation Targets - March 31, 2007

##### Rare Ecosystem Groups (<2000ha EKCP)

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | Canfor Area (ha) | Canfor Responsibility (%) | Canfor Net Target (ha) | Canfor Harvest (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|------------------|---------------------------|------------------------|---------------------|
| 2               | 949            | 100%        | 949              | 232       | 717                  | 115              | 12.1%                     | 87                     | 0                   |
| 14              | 1,645          | 100%        | 1,645            | 480       | 1,165                | 0                | 0.0%                      | 0                      | 0                   |
| 16              | 368            | 100%        | 368              | 130       | 237                  | 102              | 27.6%                     | 66                     | 0                   |
| 24              | 1,750          | 100%        | 1,750            | 1,324     | 426                  | 428              | 24.5%                     | 104                    | 0                   |

##### Uncommon Ecosystem Groups (>2000ha - <10,000ha EKCP)

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | Canfor Area (ha) | Canfor Responsibility (%) | Canfor Net Target (ha) | Canfor Natural Condition (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|------------------|---------------------------|------------------------|-------------------------------|
| 8               | 4,402          | 89.9%       | 3,957            | 732       | 3,225                | 0                | 0.0%                      | 0                      | 0                             |
| 10              | 6,702          | 50.5%       | 3,385            | 2,664     | 721                  | 2,689            | 40.1%                     | 289                    | 2400                          |
| 12              | 10,851         | 27.1%       | 2,940            | 3,330     | 0                    | 1,810            | 16.7%                     | 0                      | 0                             |
| 17              | 6,526          | 53.3%       | 3,476            | 3,740     | 0                    | 137              | 2.1%                      | 0                      | 0                             |
| 18              | 8,891          | 31.5%       | 2,801            | 4,777     | 0                    | 853              | 9.6%                      | 0                      | 0                             |
| 19              | 4,462          | 89.1%       | 3,978            | 4,065     | 0                    | 80               | 1.8%                      | 0                      | 0                             |
| 29              | 2,444          | 99.7%       | 2,436            | 1,508     | 928                  | 417              | 17.1%                     | 158                    | 527                           |

##### Common Ecosystem Groups (>10,000ha EKCP)

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | Canfor Area (ha) | Canfor Responsibility (%) | Canfor Net Target (ha) | Canfor Natural Condition (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|------------------|---------------------------|------------------------|-------------------------------|
| 1               | 73,765         | 25%         | 18,441           | 10,885    | 7,557                | 4,439            | 6.0%                      | 455                    | 12,200                        |
| 3               | 237,685        | 25%         | 59,421           | 55,357    | 4,065                | 13,826           | 5.8%                      | 236                    | 21,027                        |
| 6               | 92,710         | 25%         | 23,178           | 29,989    | 0                    | 18,511           | 20.0%                     | 0                      | 0                             |



**BCTS Invermere TSA Ecosystem Representation Targets - March 31 2007**

**Rare Ecosystem Groups (<2000ha EKCP)**

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | BCTS Area (ha) | BCTS Responsibility (%) | BCTS Net Target (ha) | BCTS Harvest (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|----------------|-------------------------|----------------------|-------------------|
| 2               | 949            | 100%        | 949              | 232       | 717                  | 151            | 15.9%                   | 114                  | 0                 |
| 14              | 1,645          | 100%        | 1,645            | 480       | 1,165                | 47             | 2.9%                    | 33                   | 0                 |
| 16              | 368            | 100%        | 368              | 130       | 237                  | 49             | 13.5%                   | 32                   | 0                 |
| 24              | 1,750          | 100%        | 1,750            | 1,324     | 426                  | 259            | 14.8%                   | 63                   | 0                 |

**Uncommon Ecosystem Groups (>2000ha - <10,000ha EKCP)**

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | BCTS Area (ha) | BCTS Responsibility (%) | BCTS Net Target (ha) | BCTS Natural Condition (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|----------------|-------------------------|----------------------|-----------------------------|
| 8               | 4,402          | 89.9%       | 3,957            | 732       | 3,225                | 340            | 7.7%                    | 249                  | 320                         |
| 10              | 6,702          | 50.5%       | 3,385            | 2,664     | 721                  | 1,048          | 15.6%                   | 113                  | 1129                        |
| 12              | 10,851         | 27.1%       | 2,940            | 3,330     | 0                    | 1,434          | 13.2%                   | 0                    | 0                           |
| 17              | 6,526          | 53.3%       | 3,476            | 3,740     | 0                    | 140            | 2.1%                    | 0                    | 0                           |
| 18              | 8,891          | 31.5%       | 2,801            | 4,777     | 0                    | 262            | 2.9%                    | 0                    | 0                           |
| 19              | 4,462          | 89.1%       | 3,978            | 4,065     | 0                    | 47             | 1.1%                    | 0                    | 0                           |
| 29              | 2,444          | 99.7%       | 2,436            | 1,508     | 928                  | 0              | 0.0%                    | 0                    | 0                           |

**Common Ecosystem Groups (>10,000ha EKCP)**

| Ecosystem Group | EKCP Area (ha) | EKCP Target | EKCP Target (ha) | EKCP NHLB | EKCP Net Target (ha) | BCTS Area (ha) | BCTS Responsibility (%) | BCTS Net Target (ha) | BCTS Natural Condition (ha) |
|-----------------|----------------|-------------|------------------|-----------|----------------------|----------------|-------------------------|----------------------|-----------------------------|
| 1               | 73,765         | 25%         | 18,441           | 10,885    | 7,557                | 5,606          | 7.6%                    | 574                  | 11,663                      |
| 3               | 237,685        | 25%         | 59,421           | 55,357    | 4,065                | 9,343          | 3.9%                    | 160                  | 18,812                      |
| 6               | 92,710         | 25%         | 23,178           | 29,989    | 0                    | 10,963         | 11.8%                   | 0                    | 0                           |
| 7               | 315,806        | 25%         | 78,952           | 103,435   | 0                    | 24,861         | 7.9%                    | 0                    | 0                           |

**Measure 1-2.1 Old and Mature Forests**

Percent mature and old seral forest distribution by ecological unit across the DFA

| Target   | Canfor Results  | BCTS Results  |
|--|---|---|
| 100% compliance with the mature and old seral targets defined in the KBHLP | No harvest has occurred in the old growth management areas or mature management areas. 100% compliant with KBHLP targets. | No harvest has occurred in the old growth management areas or mature management areas. 100% compliant with KBHLP targets. |

### Measure 1-2.2 Interior Forest Condition

Recommended percent of interior forest by Ecosystem Group across the DFA

| Target  | Canfor Results | BCTS Results |
|---|----------------|--------------|
| 1(0) Report recommending percent of interior forest by Ecosystem Group across the DFA- March 2009 | Pending        | Pending      |

### Measure 1-2.3 Road Density

Road densities not to exceed the legal requirements for amounts of roads (permanent access structures 7% provincially)

| Target                  | DFA Results  |
|-------------------------|--|
| 5% (+/- 2%) of the THLB | Based on the Roads, Trails and Landings Inventory Project (Timberline, 2008), the percent area of THLB converted to non-forest land use through forest management activities is 7.36% and in the future is expected to be 5.3%. See tables below |

**Table 3-12. Roads, Trails, and Landings Total Area, Total Non-Productive Area**

| Stratum                    | Total Road/Trail Area <sup>1</sup> (ha) | Non-Productive Road/Landing Area (ha) | Total Landing Area <sup>2</sup> (ha) | Non-Productive Landing Area (ha) | Total Non-Productive Area <sup>3</sup> (ha) | % of TSA     | % of area harvested |
|----------------------------|---|---------------------------------------|--------------------------------------|----------------------------------|---|--------------|---------------------|
| <b>Inside Blocks</b>       |   |                                       |                                      |                                  |   |              |                     |
| Cable                      | 194                                     | 194                                   | 37                                   | 36                               | 230   | 0.02%        | 0.21%               |
| Ground                     | 4570                                    | 4508                                  | 390                                  | 353                              | 4861  | 0.42%        | 4.52%               |
| <b>Subtotal</b>            | <b>4764</b>                             | <b>4702</b>                           | <b>427</b>                           | <b>389</b>                       | <b>5091</b>                                 | <b>0.44%</b> | <b>4.73%</b>        |
| <b>% of area harvested</b> | <b>4.43%</b>                            | <b>4.37%</b>                          | <b>0.40%</b>                         | <b>0.36%</b>                     | <b>4.73%</b>                                |              |                     |
| <b>Outside Blocks</b>      |   |                                       |                                      |                                  |   |              |                     |
| All                        | 2778                                    | 2776                                  | 49                                   | 45                               | 2822  | 0.24%        | 2.62%               |
| <b>Totals</b>              | <b>7542</b>                             | <b>7478</b>                           | <b>476</b>                           | <b>435</b>                       | <b>7912</b>                                 | <b>0.69%</b> | <b>7.36%</b>        |
| <b>% of TSA</b>            | <b>0.65%</b>                            | <b>0.65%</b>                          | <b>0.04%</b>                         | <b>0.04%</b>                     | <b>0.69%</b>                                |              |                     |

<sup>1</sup>Total road/trail area refers to area occupied by all road and external trail structures. Refer to Table 3-2.

<sup>2</sup>Total landing area refers to area occupied by all landings. Refer to Table 3-3.

<sup>3</sup>Non-productive area refers to access structures that have been identified as not meeting minimum site index and stocking requirements.

**Table 3-13. Future Disturbance Calculation**

| Structure    | Existing NP area (ha) | Existing NP % of Harvested <sup>1</sup> area | Future NP % of Existing Natural Stands <sup>2</sup> | Future <sup>3</sup> NP area (ha) | Total Exist + Future NP area (ha) | Total Future NP % of TSA |
|--------------|-----------------------|--|---|----------------------------------|-----------------------------------|--------------------------|
| Road/Trail   | 7478                  | 7.0%   | 5.0%  | 9453                             | 16931                             | 1.47%                    |
| Landing      | 435                   | 0.4%   | 0.3%  | 549                              | 984                               | 0.09%                    |
| <b>Total</b> | <b>7913</b>           | <b>7.4%</b>                                  | <b>5.3%</b>   | <b>10003</b>                     | <b>17915</b>                      | <b>1.55%</b>             |

<sup>1</sup> Harvested area from TSRIII Analysis Report section 2.3.5.2 = 107,578ha.

<sup>2</sup> This figure is based on the 28.4% (8.1% to 5.8%) reduction of NP area as identified in TSRIII Analysis Report section 2.4.11. This reduction was done to prevent double accounting for those areas already developed.

<sup>3</sup> Existing Natural Stand Area from TSRIII Analysis Report section 2.4.11 = 189,926ha.

**Measure 1-2.4 Patch Size Distribution**

Percent patch size distribution by natural disturbance type

| Target  | DFA Results   |
|---|---|
| Trend towards patch size distribution targets defined in the LU Planning Guide by Natural Disturbance Type over a 5 yr period | Patch size distributions are trending upwards as shown in the Patch Size Distribution Analysis report (Forsite Consultants, 2004) (See FSP supporting document) |

**Measure 1-3.1 Significant Habitat Features**

The measure reads; “Number, spatial distribution, characteristics and type of significant habitat features in each habitat type as defined below:”

**Measure 1-3.1a Dead standing trees on harvested areas in the THLB**

| Target  | Canfor Results   | BCTS Results             |
|---|--|--------------------------|
| 100% of cutblocks will contain retention areas (consisting of high value existing snags or snag recruitment areas) greater than 0.25 ha such that any clear cut area is no more than 500m from a forest edge. | 100% compliance- Cutblocks that have a clear cut area that is greater than 500m from a forest edge have WTR established. | BCTS has 100% compliance |

**Measure 1-3.1b Stand level retention by Landscape Unit and BEC Variant**

| Target   | Canfor Results  | BCTS Results             |
|--|---|--------------------------|
| WTPs will be established consistent with Provincial WTP strategies and Biodiversity guidebook targets. Targets for each LU/BEC combination have been developed. (See SFMP) | 100% compliance – The targets for each LU/BEC combination have been achieved for each Landscape Unit. | BCTS has 100% compliance |

For more information on the results see Invermere Wildlife Tree Retention Analysis Summary Report-Version 1.1- May 23, 2006- Forsite Consultants.

Measure 1-3.1c Coarse woody debris on harvested areas in the THLB

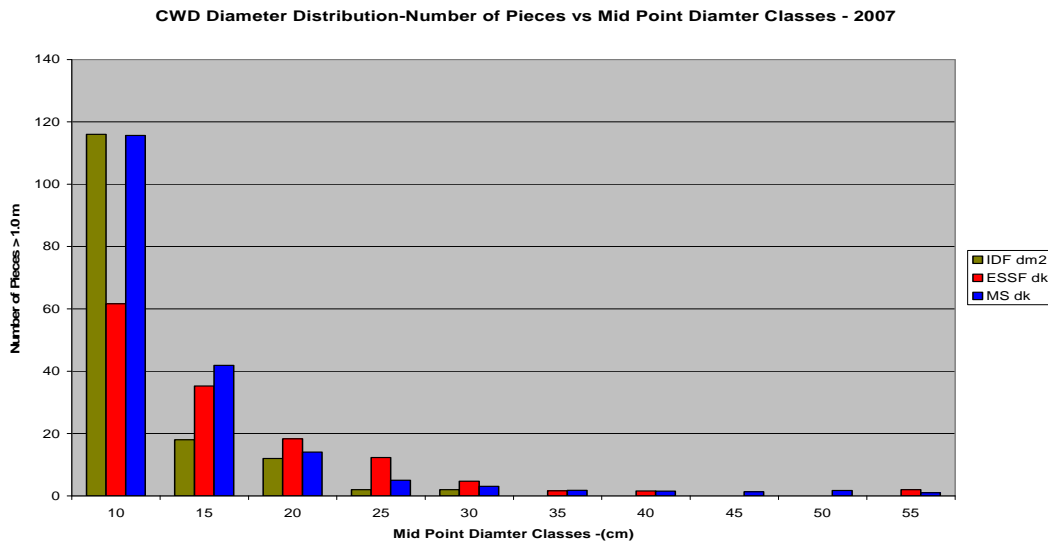
| Target   | Canfor Results  | BCTS Results   |
|--|---|--|
| CWD Targets by BEC consistent with Tembec and Canfor research (See SFMP) | Harvesting in 2007 occurred in the ESSF dk and MS dk- Non-Pine and Pine stand types and IDF dm2- Pine stand types. The average volume per hectare for each zone and stand type compared to the target is stated in the tables below.<br><br>The targets were achieved. The diameter distribution and average volume by BEC zone is shown in the graphs below. | Waste Assessments in 2007 occurred in the MS dk- Pine stand types and IDF dm2- Pine stand types. The average volume per hectare for each zone and stand type compared to the target is stated in the tables below. |

Figure 5. Summary of Canfor CWD Survey Results

| BEC and Stand Type     | Target*( m3/ha) | 2007 Actual (m3/ha) | BCTS Actual (m3/ha) |
|------------------------|-----------------|---------------------|---------------------|
| IDFdm2 – PI or Py      | 10-50           | 38                  | 64.5                |
| MSdk – PI              | 20-50           | 98                  | 84.3                |
| MSdk - all except PI   | 50-150          | 62                  |                     |
| ESSFdk - PI            | 75-250          | 90                  |                     |
| ESSFdk - all except PI | 100-250         | 161                 |                     |

\*Targets are intended to be met on an average annual basis, not on each individual cutblock.

Figure 4. Summary of Canfor CWD Survey Results-Piece Size





Measure 1-3.1d Riparian areas in THLB

| Target  | Canfor Results   | BCTS Results  |
|---|--|---|
| a) 100% compliance with riparian strategy/standards as defined in approved FSP/FDPs<br>b) Riparian ecosystem types with <2000 ha represented in the East Kootenays will be reserved from harvest. | a) 100% compliance- No incidents have occurred that are contrary to the site plans and FSP riparian strategies or standards<br>b) 100% compliance- No harvesting occurred within rare riparian ecosystems types. | a) 100% compliance- No incidents have occurred that are contrary to the site plans and FSP riparian strategies or standards.<br>b) 100% compliance- No harvesting occurred within rare riparian ecosystems types. |

Measure 1-3.1e Shrub areas across the CFLB

| Target  | DFA Results   |
|---|---|
| Shrub areas greater or equal to baseline levels | Current inventory indicates 34 000 ha (9%) of the DFA's CFLB currently exists in a shrub dominated ecosystem. This is equal to baseline levels. |

Measure 1-3.1f Deciduous areas across the CFLB

| Target   | Canfor Results   | BCTS Results  |
|--|--|---|
| a) 90% of cutblocks with a deciduous component pre-harvest in the THLB will have a deciduous component post-harvest, including mature and regenerating trees<br><br>b) Track the trend in the NHLB (using updated inventory information) | a) 100% compliance.<br><br>b) Current inventory indicates 10 800 ha (4%) of the DFA's CFLB currently exists as deciduous/hardwood species. This is equal to baseline levels. | a) 100% compliance<br><br>b) Current inventory indicates 10 800 ha (4%) of the DFA's CFLB currently exists as deciduous/hardwood species. This is equal to baseline levels. |

**Background:**

**Canfor:**

Total ha surveyed RG/FG with deciduous component = 54 ha

Total ha of 2007 blocks with deciduous component from cruise information = 54 ha

**BCTS:**

Total ha surveyed FG = 250 ha

Total ha surveyed FG with deciduous component = 50.1

Total ha of 2007 sales 432 ha with a deciduous component in 112 ha from cruise information.

**Measure 1-4.1 Vertebrate Species-Monitoring Groups**

The measure reads; “Number of forest management activities consistent with management strategies for vertebrate species groupings (including Species at Risk and selected focal species).”

| Target  | Species Group | Canfor Results  | BCTS Results                          |
|---|---------------|---|---------------------------------------|
| 0 non-conformances or non-compliance issues with established management strategies for each species groupings | Group 1       | 0 non-conformances or non-compliance  | 0 non-conformances or non-compliances |
|   | Group 2       | 0 non-conformances or non-compliance<br>See table below   | 0 non-conformances or non-compliance  |
|   | Group 3       | 1 incident occurred in 2007 with regard to machine travel within an established WTP- See FMS annual management review | 0 non-conformances or non-compliance  |
|   | Group 4       | 0 non-conformances or non-compliances   | 0 non-conformances or non-compliances |
|   | Group 5       | 0 non-conformances or non-compliances   | 0 non-conformances or non-compliances |

**Recommendation**

Management strategies need to be clearly outlined in the SFMP for each species grouping. The existing habitat representation strategy, protected areas strategy, and FSP results or strategies, etc indirectly link to the species groups as such:

- Group 1- Not required
- Group 2- Protected Areas strategy, Old Growth/Mature Management Area strategy, WTP retention strategy, Ecosystem Representation strategy and measures.
- Group 3- Reporting elements associated with Habitat Elements listed for Indicator 1.3, Riparian Management strategies, WTP retention strategy, CWD strategy.
- Group 4- Standard Operating Procedures for Species Using Localized habitats
- Group 5- Tracking for interior, patch size of old forest, and edge are done under Indicator 1.2, Patch size distribution strategy, Old Growth/Mature Management Area strategy, Species at Risk strategy in FSP



**Measure 1-4.2 Monitoring Selected Vertebrate Species**

The measure reads; Select vertebrate species are chosen to monitor effectiveness of forest planning and practice in sustaining species richness.

| Target           | DFA Results |
|------------------|-------------|
| 1 (0) March 2009 | In progress |

**Measure 1-5.1 Parks, reserves, protected areas**

The measure reads; “Hectares of forest management activities consistent with the established objectives for parks, reserves, protected areas, biologically significant areas and including areas with specific wildlife management plans.

| Target                 | Canfor Results   | BCTS Results   |
|------------------------|--|--|
| 0 ha in non-compliance | No incidents have occurred that are contrary to the site plans. Site plans and checklists are completed for each block that identifies integrated management considerations. | No incidents have occurred that are contrary to the site plans. Site plans and checklists are completed for each block that identifies integrated management considerations. |

**Measure 1-6.1 Genetic Variability-Conifer Seeds**

The measure reads; “The percentage of seeds for coniferous species collected and seedlings planted in accordance with the Tree Seed and Cone Regulation of Chief Forester’s Standards for Seed Use.”

| Target  | Canfor Results   | BCTS Results                                      |
|---|--|---|
| 0 non-compliance or non-conformances with the standards | 100% of trees planted in 2007 are in conformance. No non-compliance or non-conformances were recorded in 2007. | 100% of trees planted in 2007 are in conformance. |

**Measure 1-6.2 Genetic Variability Natural regeneration**

The measure reads; “The percentage of natural regeneration.”

| Target   | Canfor Results   | BCTS Results   |
|--|--|--|
| Greater than or equal to 8% of area harvested will be restocked by natural regeneration over a 5 year period | In 2007- Natural stocking with blocks accounted for 68% of the total stocking within the block.<br><br>Average TSPH- 3803<br>Planted SPH- 1017<br>Nat Regen SPH- 2839<br><b>% Natural Regen- 68%</b> | BCTS declared 250 ha FG of which 138 ha were not planted. 93% of current stocking is naturals. |

**Measure 2-1.1 Interim measure, Site index**

The current measure reads; “Site index by inventory type group for harvested areas.”

| Target   | Canfor Results   | BCTS Results  |
|--|--|---|
| Average post harvest site index (at free growing) will not be less than the average pre-harvest site | The average SI post harvest (19m @50years) is greater than the average SI pre-harvest (16m @50years) for blocks surveyed in 2007 | All FG blocks had a higher post harvest SI<br>BCTS blocks declared FG had an average pre harvest SI of 15 and post of |



|                           |      |
|---------------------------|------|
| index on harvested blocks | 18.9 |
|---------------------------|------|

**Measure 2-1.2 Coarse woody Debris**

The measure reads; “Amount of Coarse woody debris remaining on harvested areas.”

| Target   | DFA Results               |
|--|---------------------------|
| CWD Targets by BEC consistent with Tembec and Canfor research (See SFMP) | See measure 1-3.1c above. |

**Measure 2-2.1 Areas converted to non-forest**

The measure reads; “Area of THLB converted to non-forest land use through forest management activities.”

| Target                       | DFA Results   |
|------------------------------|---|
| Target of 5% (+/-2%) of THLB | Based on the Roads, Trails and Landings Inventory Project (Timberline, 2008), the percent area of THLB converted to non-forest land use through forest management activities is 7.36% and in the future is expected to be 5.3%. See tables for measure 1-2.3 above. |

**Measure 2-2.2 Roads and Landings**

The measure reads; “The percent of cutblock area having roads/landings constructed due to forest management activities as a measure.”

| Target  | Canfor Results  | BCTS Results  |
|---|---|---|
| Legal limit of <7% of cutblock as per FPPR sec 36 | In 2007- the area converted to non-forest land use is an average of 7.0% for Canfor. This higher than normal percent is relative to the small average cutblock size in 2007 due to mountain pine beetle salvage harvesting. | BCTS; Average % is above 7% due to smaller block sizes. |

**Measure 2-2.3 Long-term Detrimental Soil Disturbance.**

The measure reads; “The percent of long term detrimental soil disturbance as a result of forest management activities.”

| Target   | Canfor Results   | BCTS Results  |
|--|--|---|
| 1) Landscape: Average 4.5% (+/2%) over all cutblocks over a 5 year period.<br>2) Stand: For a cutblock, 10% disturbance on high hazard areas and 5% on very high hazard areas as defined in soil conservation guidebook. | 1) This information is currently not available. This portion of the measure will be reported upon collection of 5 years worth of data.<br>2) High Hazard Areas = <b>4.6%</b><br>Very High Hazard Areas = <b>4.7%</b> | 1) This information is currently not available. This portion of the measure will be reported upon collection of 5 years worth of data.<br>2) All BCTS harvested blocks were below the thresholds. |

**Measure 2-3.1 Regeneration delay period**

The measure reads; “Regeneration delay period.”

| Target  | Canfor Results  | BCTS Results  |
|---|---|---|
| 0 non-compliance or non-conformance with Regeneration | There are 0 non-compliance or non-conformance issues with Regen | There are 0 non-compliance or non-conformance issues with Regen |

|   |   |   |
|---|---|---|
| Delay period as specified in each Site Plan | Delay Period time frame specified in the operational plans- FSP and Site Plans. | Delay Period time frame specified in the operational plans- FSP and Site Plans. |
|---|---|---|

**Measure 2-3.2 Regeneration Standards**

The measure reads; “Compliance with regeneration standards set in FSP/FSP.”

| Target   | Canfor Results   | BCTS Results   |
|--|--|--|
| 0 non-compliance or non-conformance with the standards | Cutblocks harvested over the last 5 years have 0 non-compliance or non-conformance issues with the regeneration standards specified in the operational plans- FDP/FSP and Site Plans | Cutblocks harvested over the last 5 years have 0 non-compliance or non-conformance issues with the regeneration standards specified in the operational plans- FDP/FSP and Site Plans |

**Measure 2-3.3 Free growing**

The measure reads; “Compliance with free growing requirements.”

| Target                              | Canfor Results  | BCTS Results  |
|-------------------------------------|---|---|
| 0 non-compliance or non-conformance | All cutblocks have met the free growing date prior to the late free growing period. | All cutblocks have met the free growing date prior to the late free growing period. |

**Measure 2-4.1 Landslides**

The measure reads; “Number of hectares of landslides resulting from forestry practices.”

| Target                                    | Canfor Results   | BCTS Results   |
|---|--|--|
| 0 ha in THLB (for slides >0.5 ha in size) | 100% compliance- In 2007 no landslide incidents have occurred as a result of harvesting practices. | 100% compliance- In 2007 no landslide incidents have occurred as a result of harvesting practices. |



**Measure 2-5.1 Natural Disturbance Damaging Events**

The measure reads; “The percentage of significant detected natural disturbance damaging events in the THLB which have treatment plans prepared and implemented.”

| Target  | DFA Results  |
|---|--|
| 1 strategy exists per damaging event or agent | The Rocky Mountain Forest District has prepared an Invermere TSA Forest Health Strategy, Feb 6, 2008. This plan documents the significant natural disturbance damaging events and strategies for each event. |

Current identified natural disturbance events in the Invermere TSA as detailed by the Rocky Mountain Forest District:

**Table 3. 1999-2007 Invermere TSA Aerial Overview Survey Results**

**TABLE 1 - 1999-2007 INVERMERE TSA AERIAL OVERVIEW SURVEY RESULTS**  
Type of impact: 1=quality, 2=growth reduction, 3=young tree mortality, 4=mature tree mortality

| Forest Health Factor         | Hectares Affected 2005 | Cumulative Hectares Affected '99-05 | Type of Impact | % of THLB stands led by host species |
|------------------------------|------------------------|-------------------------------------|----------------|--------------------------------------|
| Mountain pine beetle         | 21,529                 | 85,018                              | 4              | 41                                   |
| Douglas-fir beetle           | 1,692                  | 10,405                              | 4              | 29                                   |
| Western balsam bark beetle   | 2,863                  | 20,514                              | 4              | 4                                    |
| Spruce Bark Beetle           | 1,085                  | 2,429                               | 4              | 13                                   |
| Pine needle cast             | 0                      | 5,094                               | 2,3            | 41                                   |
| Western false hemlock looper | 1,417                  | 2,500                               | 2,3            | 29                                   |
| Larch needle cast            | 326                    | 5,501                               | 2,3            | 7                                    |
| Serpentine Leaf Miner        | 224                    | 326                                 | 2,3            | <1%                                  |
| Burned*                      | 741                    | 1,711*                              | 1,3,4          | 100                                  |

\*Kootenay Fire Centre recorded 19,000 ha burned in the THLB in 2003

**Figure 5. Invermere TSA Aerial Overview Results of IBM Attack**

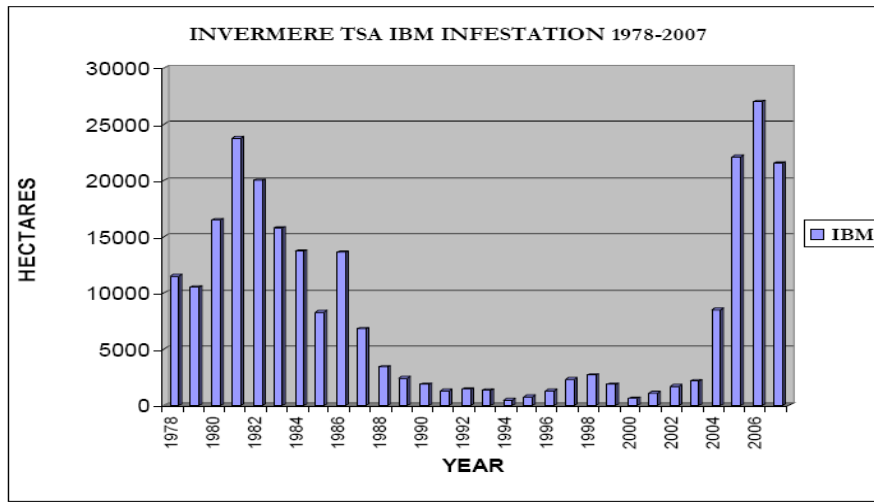
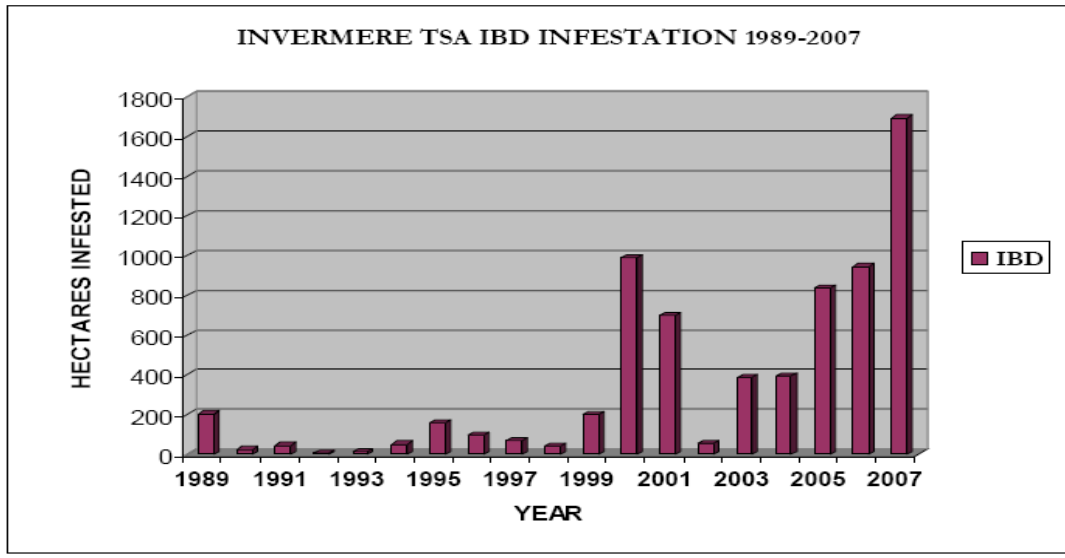


Figure 6. Invermere TSA Aerial Overview Results of IBD Attack



**Measure 3-1.1 Carbon Stored in Trees**

The measure reads; “Estimated amount of carbon stored in trees in the DFA’s CFLB (converted from TSR m3/ha)”

| Target                                 | DFA Results  |
|--|--|
| Baseline sustained or increasing trend | The frequency of monitoring and analysis of this measure will be at the same time as timber supply review periods. The most recent TSR analysis indicates that the current mass of carbon stored in trees on the TSA is estimated to be 20.6 billion kg’s.<br><br>An analysis completed in 2008 for the TSA indicated 30.6 megatons. |

**Measure 3-1.2 Estimated Carbon in non-tree Vegetation**

The measure reads; “Estimated carbon in non-tree vegetation (above ground biomass and roots).”

| Target           | DFA Results  |
|------------------|--|
| TBD – April 2008 | A target for this measure has not been developed at this time. |

**Recommendation:**

A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions. The reports indicate that approximately 30.6 megatons (MT) of total tree carbon is currently stored in the Invermere TSA. Also, the total tree carbon above ground is 45%, while 55% of the ecosystem carbon is stored in the forest floor litter, the soil and other carbon pools. Therefore, for the CFLB, ecosystem carbon storage in the Invermere TSA is estimated at approximately 120 t/ha, or 68.0 MT.

**Measure 3-2.1 Carbon Pool-Forest Products**

The measure reads; “Plan to plan based on report and process being developed by Canadian Forest Service.”

| <b>Target</b>    | <b>DFA Results</b>   |
|------------------|--|
| TBD – March 2008 | A target for this measure has not been developed at this time. |

Recommendation:

A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions.

**Measure 3-3.1 Carbon Sequestration**

The measures reads “Average Carbon Sequestration rate in the ecosystems in the DFA (Mg C/year).

| <b>Target</b>    | <b>DFA Results</b>  |
|------------------|---|
| TBD – April 2008 | A target for this measure has not been developed at this time |

Recommendation:

A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions.



#### 4. Economic Values

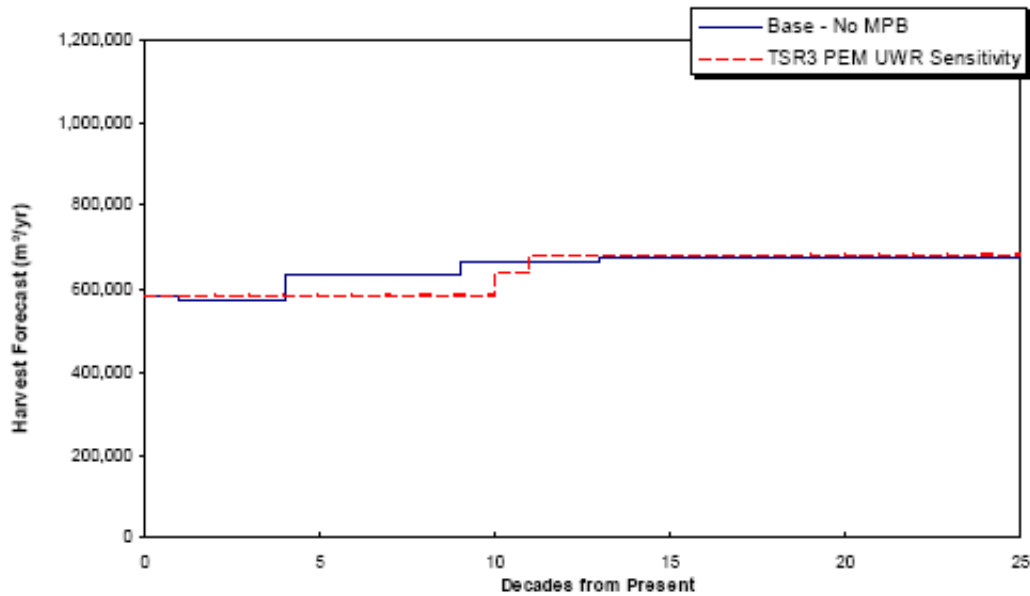
The Radium Sustainable Forest Management Plan included 20 measures to evaluate economical criteria. The following provides specifics of each measure, target and results for both Canfor and BCTS.

##### Measure 4-1.1 Projected timber supply over time is stable

The Measure reads; “Projected timber supply over time is stable.”

| Target               | Results  |
|----------------------|--|
| 321,094 m3 (+/- 10%) | The current AAC for the DFA allows 321,094 m3/yr (effective November 1, 2005) of harvest volume and is projected to remain stable or increase during the planning horizon (base case scenario). The base case has been updated to reflect recent change to Ungulate winter range and caribou habitat reserves. |

Figure 7. Invermere TSA Base Case Harvest Forecast



##### Measure 4-1.2 Cut Control

The measure reads; “Actual harvest volume is meeting the timber supply allocation within cut control limits.”

| Target                      | Canfor Results   | BCTS Results  |
|-----------------------------|--|---|
| +/- 10% of AAC over 5 years | See table below.<br>Canfor is within its AAC cut control volume for its cut control period ending Dec 2006. The actual harvest is 8.1% over cut over the previous 5 year period. 2007 is the first year of the next 5 year cut control period. | Cut Control for BCTS is measured on the basis of sold volumes. For calendar year 2007 BCTS sold 91,937 m3 (102% of AAC)<br>In time a 5 year average on reported out volume will be established. |

**Table 4. Five Year Cut Control Volume Control – Canfor FL A18979**

| Calendar Year                   | 2002           | 2003           | 2004           | 2005 <sup>1</sup> | 2006           | Total            | 2007            |
|---------------------------------|----------------|----------------|----------------|-------------------|----------------|------------------|-----------------|
| AAC (m3)                        | 231,005        | 231,005        | 231,005        | 231,005           | 227,989        | 1,152,009        | 227,989         |
| Timber Cut Under License and RP | 272,247        | 284,378        | 238,792        | 215,011           | 222,819        | 1,233,247        |                 |
| Timber Wasted or Damaged        |                |                | 5,742          | 3,223             | 11,529         | 20,494           |                 |
| Timber Cut w/o Authorization    |                |                |                |                   |                |                  |                 |
| <b>Total</b>                    | <b>272,247</b> | <b>284,378</b> | <b>244,534</b> | <b>218,234</b>    | <b>234,348</b> | <b>1,253,741</b> | <b>253, 465</b> |
| <b>Cut Control Percent</b>      |                |                |                |                   |                | <b>+8.1%</b>     | <b>+10.0%</b>   |

**Measure 4-1.3 Regeneration Standards**

The measure reads; “Percentage of harvested area in compliance with regeneration standards set in FSP.”

| Target         | Canfor Results  | BCTS Results   |
|----------------|---|--|
| 100% compliant | Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans. | Cutblocks harvested over the last 5 years are 100% compliant with the regeneration standards specified in the operational plans-FSP and Site Plans |

**Measure 4-2.1 Direct Employment in the Forest Sector**

The measure reads; “Employment in each forestry sub-sector locally, regionally and provincially.”

| Target  | Results   |
|---|---|
| Local/Regional – 169 Py<br>Provincial – 239 Py<br>(+/- 10%) | For 2007 the employment numbers projected for the DFA based on actual harvest levels in 2007 are:<br>Local/Regional- 188<br>Provincial- 266 |

Background Info

Local employment statistics used the regional multiplier with the DFA harvest levels. Regional and provincial employment statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (person years per 1000 m3 harvested).  
Local/regional = 0.545 PY's/000m<sup>3</sup>  
Provincial = 0.77 PY's/000m<sup>3</sup> (includes local/regional)

**Table 5. Annual average harvests and employment, Invermere TSA 2007**

|                            | Canfor Result                   | BCTS Results                    | DFA Total |
|----------------------------|---------------------------------|---------------------------------|-----------|
| Harvest                    | Timber volume (m <sup>3</sup> ) | Timber volume (m <sup>3</sup> ) | Volume    |
| Allowable Annual Cut (AAC) | 227,989                         | 90,089                          | 318,078   |
| Annual harvest, 2007       | 253, 465                        | 91,937                          | 345,402   |

**Measure 4-2.2 Direct Income in the Forest Sector**

The measure reads; “Income generated from each forestry sub-sector, locally, regionally and provincially.”

| Target  | Results   |
|---|---|
| Local/Regional – \$7,424,905<br>Provincial – \$10,997,557<br>(+/-10%) | For 2007 the income numbers projected for the DFA based on actual harvest levels in 2007 are:<br><br>Local/Regional- \$8,255,108<br>Provincial-\$12,227,230 |

**Background Info**

Local income statistics used the regional multiplier with the DFA harvest levels. Regional and provincial income statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (income generated per 1000 m3 harvested).

Invermere TSA – \$ 23,900/000 m<sup>3</sup>  
Provincially - \$35,400/000 m<sup>3</sup>

**Measure 4-2.3 Indirect/Induced employment and income**

The measure reads; “Indirect/Induced employment and income estimates locally, regionally and provincially.”

| Target  | DFA Results  |
|---|--|
| Indirect/Induced Employment:<br>Local/Regional – 62 py<br>Provincial – 264 py                     | For 2007 the employment and income numbers projected for the DFA based on actual harvest levels in 2007 are:<br><br>Local/Regional- 69<br>Provincial-294 |
| Indirect/Induced Income:<br>Local/Regional – \$1,957,192<br>Provincial – \$8,481,167<br>(+/- 10%) | Local/Regional- \$2,176,032<br>Provincial-\$9,429,474  |

**Background Info**

Local statistics used the regional multiplier with the DFA harvest levels. Regional and provincial statistics used the TSA harvest levels and the appropriate multiplier from TSR3 reporting (person years of employment, or income generated per 1000 m3 harvested).

Local/regional = 0.20 PY's/000m<sup>3</sup>  
Provincial = 0.85 PY's/000m<sup>3</sup> (includes local/regional)  
Invermere TSA – \$ 6,300/000 m<sup>3</sup>  
Provincially - \$27,300/000 m<sup>3</sup> (includes local/regional)



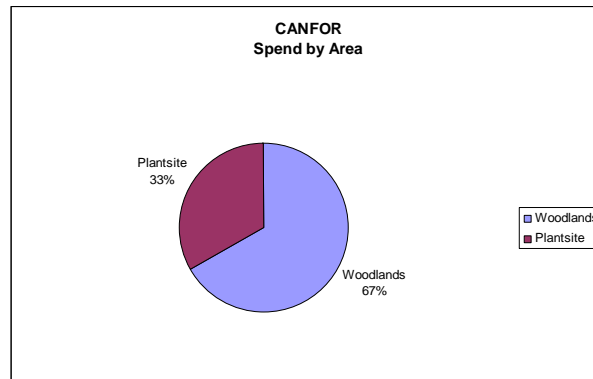
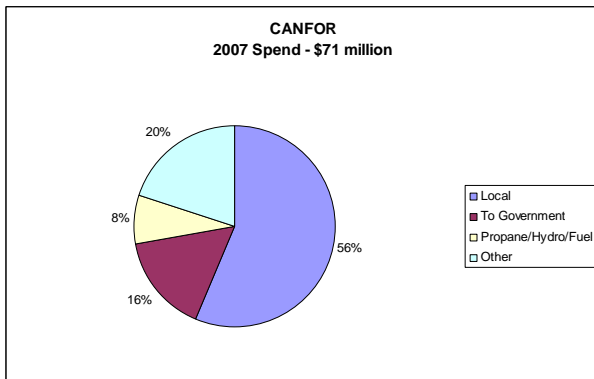
**Measure 4-2.4 Local contributions of spending**

The measure reads; “The percentage of dollars spent locally from the forest sector in proportion to total expenditures.”

| Target                    | Canfor Results   | BCTS Results   |
|---------------------------|--|--|
| Greater than x% (+/- 10%) | Canfor and BCTS are to collect 5-year average dollars spent to establish the baseline dollars. This is the second year in collecting this data. A variance of +/- 10% is based on cut control AAC harvest variations. In 2007 the percentage of dollars spent locally from the forest sector in proportion to total expenditures is shown below. | BCTS spent \$ 70,168 in the TSA. It is difficult due to the business structure to equate this to a percentage of expenditures. |

**CANFOR**

| Spend by Area      | 2006                 |     | 2007                 |             |
|--------------------|----------------------|-----|----------------------|-------------|
|                    | Amount               | %   | Amount               | %           |
| Local              | \$ 32,673,242        | 54% | \$ 39,955,643        | 56%         |
| To Government      | \$ 5,665,199         | 9%  | \$ 11,169,352        | 16%         |
| Propane/Hydro/Fuel |                      |     | \$ 5,545,539         | 8%          |
| Other              |                      |     | \$ 14,078,273        | 20%         |
|                    | <b>\$ 60,384,834</b> |     | <b>\$ 70,748,807</b> | <b>100%</b> |



**Measure 4-2.5 Local Opportunity to Sell Timber**

The measure reads; “Opportunities continue to be available for citizens to sell timber to Canfor.”

| Target                  | Results   |
|-------------------------|---|
| 50% of milling capacity | See Table Below. Canfor provided greater than 50% for citizens to sell timber to its Radium facility. |

**Table 6. Total Net Production Volume in 2007 for Canfor Radium Sawmill**

| Source                                   | Volume (m3)    | Percent of Total Volume |
|--|----------------|-------------------------|
| Canfor’s FL A18979 (including off-grade) | 297,200        | 43 %                    |
| Purchase Volume (Non-quota wood)         | 393,982        | 57 %                    |
| <b>Total Net Production Volume</b>       | <b>691,182</b> | <b>100 %</b>            |



|                             |         |              |
|-----------------------------|---------|--------------|
| <b>Total External Sales</b> | 116,531 | <b>16.8%</b> |
|-----------------------------|---------|--------------|

**Measure 4-2.6 Corporate Donations**

The measure reads; "Amount of corporate donations/sponsors made to the community per year."

| Target              | Canfor Results   | BCTS |
|---------------------|--|------|
| 1 List of Donations | Canfor is to collect 3-year average donations/sponsors made to the community per year to establish the baseline dollars. This is the second year in collecting this data. In 2007 the donations/sponsors made to the community is <u>\$5080.45</u> . See table below | N/A  |

**Table 7. Canfor's Donations for 2006-2007**

| 2006-2007 Radium Donations Tracker   |   |  |                         |                   |
|--|---|--|-------------------------|-------------------|
| Segments = Amateur Sports (AS), Community Enhancement (CE), Forestry & Environment (FE), Health & Wellness (HW), Youth & Education (YE), Other (O), Scholarship/Bursary (SB), Endowments (E) |   |  |                         |                   |
| Date Requested   | Organization                            | Purpose/Event                                    | Amount                  | Total For 2006    |
| 01-Jan-06  | Windermere Valley Minor Hockey          |  | \$150.00                | \$150.00          |
| 02-Jan-06  | Windermere Valley Minor Hockey          | Two loads of Firewood for sports fund raising    | \$2,460.00              | \$2,610.00        |
| 01-Jan-06  | Blue Lake Forest Education Society      |  | \$500.00                | \$3,110.00        |
| 01-Jan-06  | BC Senior Games                         |  | \$250.00                | \$3,360.00        |
| 01-May-06  | Lakers Baseball                         | Local Team Start up costs                        | \$250.00                | \$3,610.00        |
| 01-Jun-06  | Literacy Charity Golf Tournament        | Local Golf Tournament supporting library         | \$200.00                | \$3,810.00        |
| 07-Jul-06  | Volleyball BC                           | Sponsored local youth athlete                    | \$200.00                | \$4,010.00        |
| 07-Jul-06  | Alberta Children's Hospital Foundation  | Golf Tournament supporting hospital              | \$200.00                | \$4,210.00        |
| 31-Aug-06  | Cedar Publishing Corporation            | Child Find Magazine Support                      | \$187.09                | \$4,397.09        |
| 02-Nov-06  | WV Minor Hockey Assoc                   | Minor Hockey Tournament Program 2006/2007 season | \$50.00                 | \$4,447.09        |
| 15-Dec-06  | CV Gymnastics Assoc                     | Equipment  | \$1,139.04              | \$5,586.13        |
| 28-Dec-06  | WV Minor Hockey Assoc                   | Equipment  | \$675.00                | \$6,261.13        |
| 28-Dec-06  | Committee for Safe Home Program         | Supplies   | \$1,200.00              | \$7,461.13        |
|  |   |  | <b>2006 SUB-TOTAL</b>   | <b>\$7,461.13</b> |
| 05-Mar-07  | Cedar Publishing Corporation            | Child Find Magazine                              | \$187.09                | \$187.09          |
| 01-May-07  | Edgewater Rec Society                   | Frank's Rink - improvements (donated lumber)     | \$331.36                | \$518.45          |
| 03-May-07  | CV Rockies Hockey Club                  | donated 2 lifts of 1650 MSR lumber for auction   | \$1,300.00              | \$1,818.45        |
| 16-May-07  | Edgewater Elementary School             | school agenda books                              | \$1,000.00              | \$2,818.45        |
| 26-May-07  | Dry Grad                                | merchant certificate                             | \$50.00                 | \$2,868.45        |
| Oct 07   | Neals silent auction cancer fund raiser | Donated 1 lift of MSR lumber for auction         | \$650.00                | \$3518.45         |
| Nov 07   | Toby Creek Nordic Club                  | Roller/ Packer built by shop                     | \$1562.00               | \$5080.45         |
|  |   |  | <b>2007 SUB-TOTAL</b>   | <b>\$5080.45</b>  |
|  |   |  | <b>Two Year Average</b> | <b>\$6270.79</b>  |



**Measure 4-3.1 Fees Paid**

The measure reads; “Fees paid by industry to municipal, regional and provincial governments.”

| Target   | Canfor Results   | BCTS Results |
|--|--|--------------|
| 0 non-compliance or non-conformances with paying fees on an annual basis | Canfor is 100% compliant with paying fees to municipal and provincial governments for 2007 | N/A          |

**Table 8. Fees paid by Canfor Municipal & Provincial Governments Jan 1 - Dec 31, 2007**

| Type                    | Vendor                               | Total Amount         |
|-------------------------|--------------------------------------|----------------------|
| <b>Provincial Total</b> | <b>Receiver General Canada</b>       | <b>\$ 11,011,786</b> |
| <b>Municipal Total</b>  | <b>Village of Radium Hot Springs</b> | <b>\$ 150,573</b>    |
| <b>Grand Total</b>      |                                      | <b>\$ 11,162,359</b> |

**Measure 4-4.1 First Nations Economic Opportunities**

The measure reads; “Number of formal opportunities for local First Nations to enter into contracts with Licensees.”

| Target                             | Canfor Results              | BCTS Results                            |
|------------------------------------|-----------------------------|---|
| >=1 opportunity on an annual basis | Target met- See Table below | Target met. 1 contract to Eagle Vision, |

**Table 9. Summary of Contracts with Canfor Radium and First Nations**

| Year | Type of Contract |                      |                        |                                       |         |                       |                   |                  |                    | Total |
|------|------------------|----------------------|------------------------|---------------------------------------|---------|-----------------------|-------------------|------------------|--------------------|-------|
|      | Employment       | Road Building/Lowbed | Other Volume Purchased | Community/Cultural Support & Donation | Logging | Silviculture/Forestry | Capacity Building | Other Contracts* | Training/Education |       |
| 2007 | 1                | 1                    | 0                      | 0                                     | 0       | 0                     | 0                 | 2                | 0                  | 4     |

\*Other contracts includes research/inventory and Archaeological Services

Employment opportunity included an in-house Ktunaxa Development Corporation position for woodlands  
 Lowbed contract services are provided to woodlands operations on a regular basis  
 Two Eagle Vision Archaeological Services contract for 2007 field season

**Measure 4-5.1 Timber Supply Certainty**

| Target                           | Results   |
|----------------------------------|---|
| 321,094 m <sup>3</sup> (+/- 10%) | Same as 4-1.1. The current AAC for the DFA allows 321,094 m <sup>3</sup> /yr (effective November 1, 2005) of harvest volume and is projected to remain stable or increase during the planning horizon (base case scenario). |

**Measure 4-5.2 Economic Sustainability**

The measure reads; “The percentage return on capital employed (ROCE) at a primary processing facility or business unit.”

| Target  | Canfor Results   | BCTS Results |
|---|--|--------------|
| ROCE >the percentage set for ROCE for the division. Measured over a two year period | Not Achieved.<br>Radium’s divisional ROCE percentage was well below the anticipated divisional ROCE for 2006 and 2007 and was below the corporate average ROCE percentage. Very poor lumber markets in 2006-2007 attributed to poor divisional ROCE. | N/A          |

**Measure 4-6.1 Damaging Events or Agents**

The measure reads; “Current assessments of damaging events or agents (current status: risk potential) are maintained.”

| Target                                   | Canfor Results   | BCTS Results   |
|--|--|--|
| 1 assessment per damaging event or agent | Damaging Agents detected and addressed in 2007 are outlined in tables below. | BCTS all assessments for Site Plans or silviculture surveys had a pest assessment. |

**Table 10. Canfor Assessments Completed in 2007– Forest Health Agent – Mature Forest**

| Mature Forest Pests            |      |                          |   |          |                              |
|--------------------------------|------|--------------------------|---|----------|------------------------------|
| Pest                           | Code | Site Plan pre-assessment | Specific Forest Health Assessment         | Cruising | Regen or Free Growing Survey |
| Lodgepole Pine Dwarf Mistletoe | DMP  | X                        | Recci Survey                              |          |                              |
| Douglas- Fir bark beetle       | IBD  | X                        | Aerial Survey, Beetle Probe, Recci Survey |          |                              |
| Mountain pine beetle           | IBM  | X                        | Aerial Survey, Beetle Probe, Recci Survey |          |                              |

**Table 11. Assessments Completed – Forest Health Agent – Plantations**

| Plantation Pests               |      |                          |                                   |          |                              |
|--------------------------------|------|--------------------------|-----------------------------------|----------|------------------------------|
| Pest                           | Code | Site Plan pre-assessment | Specific Forest Health Assessment | Cruising | Regen or Free Growing Survey |
| Armillaria root rot            | DRA  |                          | Pixel Survey                      |          | X                            |
| Mountain pine beetle           | IBM  |                          |                                   |          | X                            |
| Spruce Beetle                  | IBS  |                          |                                   |          | X                            |
| Lodgepole Pine Dwarf Mistletoe | DMP  |                          |                                   |          | X                            |
| Western Gall Rust              | DSG  |                          |                                   |          | X                            |
| Cooley spruce gall adelgid     | IAG  |                          |                                   |          | X                            |
| Warren’s Root collar weevil    | IWW  |                          |                                   |          | X                            |
| Pitch nodule moths             | ISP  |                          |                                   |          | X                            |
| Animal Damage                  | AD   |                          |                                   |          | X                            |
| Cattle Damage                  | AC   |                          |                                   |          | X                            |
| Squirrel Damage                | AS   |                          |                                   |          | X                            |
| Commander Blister Rust         | DSC  |                          |                                   |          | X                            |
| Snow Ice Damage                | NY   |                          |                                   |          | X                            |



|                     |    |  |  |  |   |
|---------------------|----|--|--|--|---|
| Tree Damage-Logging | TL |  |  |  | X |
|---------------------|----|--|--|--|---|

**Measure 4-6.2 Natural Disturbance Events**

The measure reads; “The percentage of significant detected natural disturbances damaging events threatening the THLB which have treatment plans prepared and implemented.”

| Target  | DFA Results       |
|---|-------------------|
| 1 strategy exists per damaging event or agent | See Measure 2-5.1 |

**Measure 5-1.1 Identification of marketed/commercial non-timber forest resources**

The Measure reads; “Number of non-conformances with strategies for commercial non-timber forest products identified in DFA.”

| Target  | Canfor Results  | BCTS Results       |
|---|---|--------------------|
| 0 non-conformances or non-compliance issues with established management strategies for NTFP’s | 1 incident occurred in 2007 with regard to machine travel within an established WTP- See FMS annual management review | 0 non-conformances |

**Recommendation**

Management strategies need to be clearly outlined in the SFMP for the DFA identified NTFP’s. This is identified in the knowledge gap appendix of the SFMP. The existing habitat representation strategy, protected areas strategy, and FSP results or strategies, etc link to the NTFP. Among these include:

- Protected Areas strategy,
- Old Growth/Mature Management Area strategy,
- WTP retention strategy,
- Ecosystem Representation strategy and measures
- Reporting elements associated with Habitat Elements listed for Indicator 1.3,
- Riparian Management strategies,
- CWD strategy,
- Patch size distribution strategy in FSP
- Species at Risk strategy in FSP

**Measure 6-1.1 Local Employment by Economic Sector**

The measure reads; “Employment supported by each sector of the local economy (actual and percentage of total employment).”

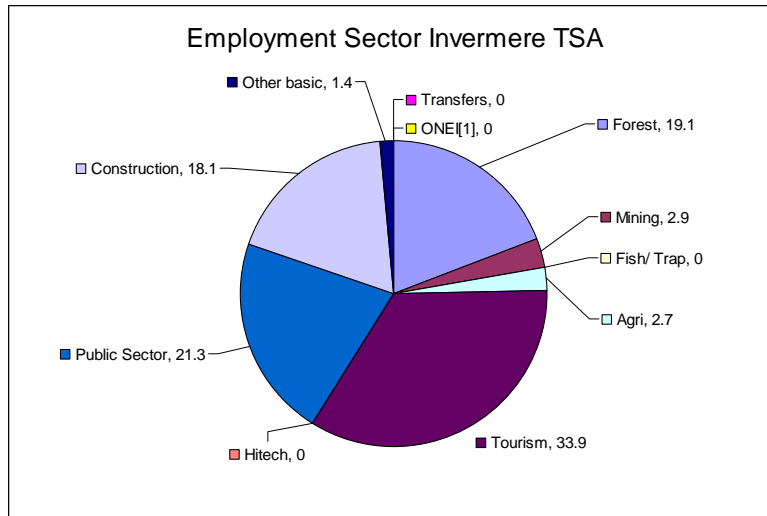
| Target  | DFA Results  |
|---|--|
| Local Forestry Average Annual Employment– 263 person years and 19% of total employment sectors (+/- 10%)<br>Report out on other sectors | Canfor and BCTS combined employment for 2007 is 249 person years which is below the target average annual employment but within the 10% tolerance. The total employment compared to other sectors was generated during the last TSR 3 completed in 2004. |

**Table 12. Canfor Annual Average harvests and employment, Invermere TSA 2007**

|   | Canfor Result                        | BCTS Result                          | DFA Total                            |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Harvest</b>  | <b>Timber volume (m<sup>3</sup>)</b> | <b>Timber volume (m<sup>3</sup>)</b> | <b>Timber volume (m<sup>3</sup>)</b> |
| Allowable Annual Cut (AAC)  | 227,989                              | 90,089                               | 318,078                              |
| Annual harvest, 2007  | 253,465                              | 91,937                               | 345,402                              |
| <b>Employment</b>   | <b>Person-Years (PYs)</b>            | <b>Person-Years (PYs)</b>            | <b>Person-Years (PYs)</b>            |
| Harvesting, planning & administration, log transport, and road construction & maintenance | 74                                   | 23                                   | 97                                   |
| Silviculture  | 7                                    | 2                                    | 9                                    |
| Timber processing   | 109                                  | 34                                   | 143                                  |
| <b>Total</b>  | <b>189</b>                           | <b>60</b>                            | <b>249</b>                           |

Comment [DT1]: Need to exclude SNRFL wood.

**Figure 8. Employment Sector Invermere TSA based on TSR III Report.**



**Table 13. Employment and Employment Income Distribution (% share) for Invermere TSA**

|                        | Forest | Mining | Fish/ trap | Agri | Tourism | Hi tech | Public sector | Construction | Other basic | Transfers | ONEI <sup>2</sup> | Total <sup>3</sup> |
|------------------------|--------|--------|------------|------|---------|---------|---------------|--------------|-------------|-----------|-------------------|--------------------|
| 2000 Employment income | 18.9   | 1.9    | 0          | 0.8  | 15.7    | 0       | 18.7          | 13.8         | 0.7         | 13.5      | 15.9              | 100                |
| 2000 Employment        | 19.1   | 2.9    | 0          | 2.7  | 33.9    | 0       | 21.3          | 18.1         | 1.4         | -         | -                 | 100                |
| 1995 Employment        | 19.7   | 2.9    | 0          | 3.7  | 35.3    | 0       | 21.7          | 14.1         | 2.6         | -         | -                 | 100                |

Source: BC Stats

<sup>2</sup> Other non-employment income (ONEI), mainly investment and pension income

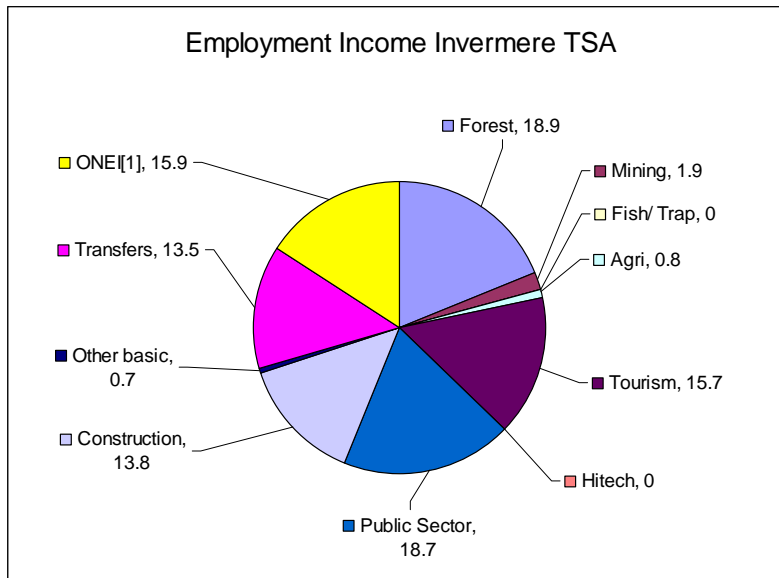
<sup>3</sup> Totals do not add up to 100% due to rounding.

**Measure 6-1.2 Income Sources of the Local Economy**

The measure reads; “contribution of income sources from each sector of the local economy (actual and percentage of total income).”

| Target  | DFA Results   |
|---|---|
| Average Local Forestry Annual Income—greater than \$48 700 and 19% of total income sources (+/- 10%)<br><br>Report out on other sectors | TSR3 was completed in 2005 and it has outlined the contribution of income supported by each sector of the local economy. The next census data release on income and earnings by Stats Canada is Thursday, May 1, 2008 |

**Figure 9. Employment Income Invermere TSA**



**Table 14. Invermere TSA Avg. Income Stats 2001 Census**

| Industry               | Income   | Indirect Multiplier | Indirect & Induced Multiplier |
|------------------------|----------|---------------------|-------------------------------|
| Logging                | \$44 642 | 1.18                | 1.27                          |
| Saw milling            | \$42 555 | 1.29                | 1.43                          |
| Pulp manufacturing     | \$58 995 | 1.59                | 1.62                          |
| Coal mining            | \$55 176 | 1.31                | 1.39                          |
| Government services    | \$42 258 | 1.12                | 1.21                          |
| Accommodation services | \$20 461 | 1.08                | 1.13                          |
| All industries average | \$31 899 | -                   | -                             |

## 5. Social Values

The Radium Sustainable Forest Management Plan included several measures to evaluate social criteria. The following provides specifics of each measure, target and results for both Canfor and BCTS.

### Measure 7-1.1 Stakeholder analysis

The measure reads; “Implementation and annual update of a comprehensive stakeholder analysis of tenure holders, residents and interested parties.”

| Target         | Canfor Results   | BCTS Results                           |
|----------------|--|--|
| Annual Updates | Canfor maintains a stakeholder database that is current to March 31, 2008. | BCTS maintains a stakeholder database. |

### Measure 7-1.2 Communication / participation plan

The measure reads, “Development and implementation of a communication / participation plan, with early input from a range of stakeholder representatives.”

| Target                        | DFA Results  |
|-------------------------------|--|
| 1 Plan – Date: March 31, 2008 | A communication /participation plan was completed in 2008 for the DFA. |

### Measure 7-1.3 Satisfaction of the Public Advisory Group

The measure reads; “The existence of an effective public advisory group indicated by the satisfaction of advisory group members.”

| Target                                    | DFA Results  |
|---|--|
| Satisfaction Survey – average score > 3.5 | <p>PAG Satisfaction Surveys were conducted by the Facilitator on Oct 2005, March 2006 and March 2007 with a combined average score of 4.1, 4.3 and 4.16 respectively. Participants ranked several questions from 1=very poor, 2=poor, 3=average, 4= good and 5 = very good.</p> <p>March 2007 Results<br/> Meeting: 4.32<br/> Facilitator: 4.37<br/> Logistics: 4.07</p> |



**Measure 7-1.4 Public Process**

The measure reads; “Conduct of an open public process prior to Government approval of operational plans, or any major amendments.”

| Target   | Canfor Results  | BCTS Results   |
|--|---|--|
| 100% compliant with legal advertising & internal SOP | 100% Compliant. In 2007, Canfor completed 2 Forest Stewardship Plan amendments. All of these were 100% compliant with legal advertising requirements and internal operating procedures. | 100% compliant. BCTS 1 FSP amendment and 2 referrals of Operational Plans. |

**Measure 7-1.5 Satisfaction of Reciprocal Knowledge Exchange.**

The measure reads; “Documentation of open and transparent reciprocal exchange of social values/opinions, their influence on decisions, and participant satisfaction.”

| Target    | DFA Results   |
|-----------|---|
| 1 Process | Canfor and BCTS have a process in place to refer operational plans to stakeholders and First Nations through letter mailings, face to face meetings and written replies to comments received. |

**Measure 7-2.1 Public Communications**

The measure reads; “The number and type of communication, extension and planning activities with the public annually about forest management plans (SFMP and operational plans) and operations.”

| Target    | Canfor Results             | BCTS Results                       |
|-----------|----------------------------|------------------------------------|
| Minimum 5 | Achieved. See table below: | 1 meeting with FN Bands and Nation |

**Table 15. Number and type of communication activities with the public in 2007- CANFOR**

| Type of Communication, Extension or Planning Activity-2007                            | Details   | Number    |
|---|---|-----------|
| Public Advisory Group Meetings  | Feb 12, March 26, June 19, Oct 9, 2007  | 4         |
| Ranchers Meeting  | Review 2008 Planned Harvest and Range Barriers- Ranching community and MoF-   | 1         |
| Presentation: Ecological Values Criteria and Indicators Revisions- Laurie Kreamer-UBC | Review of new indicators with BCTS, MOE and Canfor Staff- October 9, 2007   | 1         |
| Public Information Booth- Kinsmen Home and Recreation Show.                           | Booth at Home and Recreation Show- SFMP Initiatives and Career Opportunities in FMS, Sawmill Trades and Harvesting- May 2007                            | 1         |
| First Nations Information Booth   | Booth at Ktunaxa Nation Council- Annual General Meeting- SFMP Initiatives and Career Opportunities in FMS, Sawmill Trades and Harvesting- July 18, 2007 | 1         |
| First Nations   | Band Meetings to discuss planned harvest activities for 2007- Shuswap band, Akisqinuk Band, Ktunaxa Nation Council- Jan –March 2007,                    | 3         |
| <b>Grand Total</b>  |   | <b>11</b> |

**Measure 7-2.2 Demonstration of Reciprocal Knowledge Exchange**

The measure reads; “Demonstration of reciprocal knowledge exchange (i.e. Local community expresses increased knowledge of SFM and technical expert incorporates local knowledge into forest management decisions/plans).”

| Target  | Results   |
|---|---|
| Minimum of 1 example of reciprocal knowledge exchange on an annual basis (increasing trend) | The Public Advisory Group process and input is an example in 2007 that shows exchange of information and knowledge on forest management issues and practices. The details are captured in the PAG meeting minutes and PAG satisfaction surveys. PAG members have shown an increased knowledge of forestry terminology, practices and results. |

Recommendation

- 1) Implement the components of the communication participation plan in 2008.

**Measure 8-1.1 Affected First Nations**

The measure reads; “Compliance with legally established Aboriginal and Treaty Rights,”

| Target                                | Canfor Results  | BCTS Results  |
|---------------------------------------|---|---|
| 0 non-compliance incidents in the DFA | Currently there are 0 non-compliance issues with current legal requirements. The Ktunaxa Treaty Council is currently in Treaty negotiation. | Currently there are 0 non-compliance issues with current legal requirements. The Ktunaxa Treaty Council is currently in Treaty negotiation. |

**Measure 8-1.2 Unresolved First Nations Treaty or Rights Disputes**

The measure reads; “Affected First Nations are provided the opportunity to comment on forest stewardship plans and the SFM Plan”

| Target                         | Canfor Results   | BCTS Results   |
|--------------------------------|--|--|
| Minimum 1 Opportunity per plan | Canfor has met the minimum target specified.<br>SFMP- Opportunity to participate and comment on SFMP provided in 2007<br>FSP- Opportunity provided to all First Nations to comment on FSP amendments | SFMP- Opportunity to participate and comment on SFMP provided in 2007<br>FSP- Opportunity provided to all First Nations to comment on FSP amendments |

**Measure 8-2.1 First Nation’s Access to Forest Resources**

The measure reads; “The success in implementing and monitoring management practices related to not impeding access to identified resources for First Nations through strategies articulated in Forest Stewardship Plans (FSP) and/or First Nations/Licensee Agreements.”

| Target  | DFA Results   |
|---|---|
| 0 non-compliance or non-conformance with regard to results or strategies outlined in Forest Stewardship Plans, First Nations Agreements or Contractual Agreements | Management practices in Canfor and BCTS have been 100% compliant with existing Forest Stewardship Plans and operational plans with regard to strategies to not impede access to identified resources for First Nations. No non-compliance or non conformance issues have been identified. |

**Measure 8-2.2 Reciprocal Exchange of Social Values/Opinions**

The measure reads; “Demonstration of open and transparent reciprocal exchange of social value/opinions, their influence on decisions, and participant satisfaction with regards to First Nations.”

| Target    | Canfor Results   | BCTS Results   |
|-----------|--|--|
| 1 Process | The communication/participation plan completed in March 2008 identifies an improved process for this measure. It will be implemented in 2008. See table below. | Meetings conducted and planned meetings to exchange information. |

**Table 16. Number and type of communication activities with First Nations in 2007**

| Type of Communication, Extension or Planning Activity-2007 | Details   | Number   |
|--|---|----------|
| <b>Canfor</b>  |   |          |
| First Nations Information Booth                            | Booth at Ktunaxa Nation Council- Annual General Meeting- SFMP Initiatives and Career Opportunities in FMS, Sawmill Trades and Harvesting- July 18, 2007 | 1        |
| First Nations  | Band Meetings to discuss planned harvest activities for 2007- Shuswap band, Akisqinuk Band, Ktunaxa Nation Council- Jan –March 2007,                    | 3        |
| <b>BCTS</b>  |   |          |
|  | Meeting with each Band and Nation   | 3        |
| <b>Grand Total</b>   |   | <b>7</b> |

**Measure 8-3.1 First Nations Cultural Values**

The measure reads; “Forest management plans demonstrate consideration and accommodation of identified First Nations cultural issues by protecting or enhancing sensitive areas/features.”

| Target   | Canfor Results   | BCTS Results   |
|--|--|--|
| 0 non-compliance or non-conformance with forest management plans that include strategies to accommodate culturally sensitive areas | Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2007.<br>Number of blocks with AIA’s Completed = 26 Blocks and Roads.<br>Number of blocks compliant with Site Plan Strategies for AIA concerns = 26 Blocks and Roads. | Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2007.<br>Number of blocks with AIA’s Completed = 7 Blocks and associated roads<br>Number of blocks compliant with Site Plan Strategies for AIA concerns 7 Blocks and associated roads |

Canfor has developed a result and strategy in its approved Forest Stewardship Plan to address First Nations culturally sensitive areas or features.

The Invermere TSA, and the DFA, has been subject to archaeological overview assessments involving aerial photo analysis, as well as the application of predictive models derived from the archaeological record to delineate GIS-based polygons where significant archaeological deposits or features might be present (archaeological potential mapping) (c.f. Choquette 2000). Where forestry developments are proposed within these polygons, archaeological assessments are completed to ascertain the presence, condition and character of any archaeological resources that may be present. These assessments take the form of Archaeological Impact Assessment (AIA) which involved intensive examination including test excavations by a team of archaeologists. The results of AIA’s are incorporated into operational plans and harvest strategies. Reserves or winter harvesting practices, for example, are often prescribed to protect archaeological resources that occur on a particular site.



**Measure 8-3.2 First Nations interests in Non-Timber Forest Products**

The measure reads “Forest management plans demonstrate consideration and accommodation of First Nations’ rights and interests in known Non-Timber Forest Products (NTFPs).”

| Target   | Canfor Results   | BCTS Results   |
|--|--|--|
| 100% of forest management plans include strategies to accommodate rights and interests in known NTFP | Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2007 with known Non Timber Forest Products. | Operations have been 100% compliant with FSP strategies and operational plans. No non-compliance or non-conformance issues have been record in 2007 with known Non Timber Forest Products. |



**Measure 8-4.1 First Nation Communication**

The measure reads; “Accessibility of plans, maps, and/or visual simulations showing baseline cultural uses of local forest resources.”

| Target                 | Results   |
|------------------------|---|
| 100% of areas proposed | Canfor and BCTS had limited access in 2007 to plans and maps that show baseline cultural uses of local forest resources. Archeological Overview Mapping has been provided for use by the licensees. |

**Measure 8-4.2 Communication to First Nations**

The measure reads; “Accessibility of current plans, maps, and/or visual simulations prior to government approval that outline logging details such as cutting areas, road construction and include temporal aspects.”

| Target                               | Canfor Results  | BCTS Results  |
|--------------------------------------|---|---|
| 100% of plans and maps are available | All plans have been made accessible to First Nations prior to government approval. 100% compliant. In 2007, Canfor completed 2 Forest Stewardship Plan amendments. Additionally, Canfor has reviewed detailed maps outlining 2007 planned cutblocks, roads and single load harvesting areas at meetings with the local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council). | 100 % Compliant. BCTS completed one meeting with Shuswap and KKTC as well as two referrals. Additionally, BCTS has completed referral of 2007 harvesting. |

**Measure 8-4.3 First Nations Culturally Appropriate Communications**

The measure reads; “Degree of meaningful First Nations participation enabled through culturally appropriate opportunities for inclusive participation.”

| Target  | Canfor Results   | BCTS Results  |
|---|--|---|
| 0 non-compliance or non conformance with legal requirements | All plans have been made accessible to First Nations prior to government approval. 100% compliant. 0 non-compliance or non conformance issues were recorded in 2007. | 100% compliant. BCTS completed referrals of an FDP amendment and 2 Operational Plans. |

**Table 17. Referrals to First Nations by Canfor and BCTS**

| Type of Event-2007                              | Details  | Legally Required | Number |
|---|--|------------------|--------|
| <b>Canfor</b>                                   |  |                  |        |
| FSP Amendment- 60 day review and comment period | 2 amendments each consisting of face to face meetings with local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council).  | Yes              | 2      |
| CP and RP development review                    | Canfor has reviewed detailed maps outlining 2007 planned cutblocks, roads and single load harvesting areas at meetings with the local First Nations (Shuswap, Akisqnuq, and Ktunaxa Tribal Council). | No               | 3      |
| <b>BCTS</b>                                     |  |                  |        |
| FSP Amendment                                   | Macdonald/Body Creek   | yes              | 1      |
| Operational Plans                               | Macdonald/Body Creek and 2007 Proposed Harvesting  |                  | 2      |

| Type of Event-2007 | Details | Legally Required | Number   |
|--------------------|---------|------------------|----------|
| <b>Grand Total</b> |         |                  | <b>8</b> |

**Measure 8-4.4 First Nation's Understand the Resource Plan**

The measure reads; “Degree of First Nations comprehension of management plan and monitoring information.”

| Target   | Results  |
|--|--|
| Minimum of 1 example of comprehension of a management plan on an annual basis (increasing trend) | For each example noted in measure 8-4.3, First Nations indicated a good understanding and comprehension of the events. This is particularly evident in the FSP Amendments completed- Detailed information can be found on the operational files. |

**Measure 9-1.1 Recreation Inventory**

The measure reads; “An inventory of interpretive forest sites, recreation sites, recreation trails and features will be made.”

| Target                        | DFA Results   |
|-------------------------------|---|
| Maintain database as required | A Database is maintained that identifies interpretive forest sites, recreation sites, recreation trails and features as well as their associated management objectives. These features are also spatially identified. |

**Measure 9-1.2 Forest activities and Recreation sites and trails**

The measure reads; “Existing interpretive forest sites, recreation sites and recreation trails and their associated objectives, as identified in Measure 9.1.1, will be maintained to their current condition following forestry activities in the area.”

| Target  | Canfor Results  | BCTS Results  |
|---|---|---|
| 0 non-compliance or non-conformance with established interpretive forest sites, recreation sites and recreation trails and their associated objectives. | 0 non-compliance or non-conformance issues have been recorded to the site plans and recreation strategies or standards. | 0 non-compliance or non-conformance issues have been recorded to the site plans and recreation strategies or standards. |



**Measure 9-1.3 Recreation Management Strategy**

The measure reads; “Encourage and participate in the development of a strategy to balance primitive, semi-primitive and developed recreation opportunities (and associated quality of experience).”

| Target  | DFA Results  |
|---|--|
| Encourage & participate in Recreation / Access planning | Currently, there is no process in place for either Canfor or BCTS to participate in the development of a strategy to balance primitive, semi-primitive and developed recreation opportunities. Canfor and BCTS will discuss this opportunity with the appropriate provincial government in future years.<br><br>Canfor maintains access to 1872 km of roads in its operating area. Access barriers are established on 5 roads as shown in its FSP. |

**Measure 9-2.1 Visual Quality Objectives (VQO)**

The measure reads; “The percentage that forest management complies with existing Visual Quality Objectives (VQO’s) or other visual management approaches established by the BC Ministry of Forests for the area.”

| Target                              | Canfor Results  | BCTS Results                                  |
|-------------------------------------|---|---|
| 0 Non-conformance or non-compliance | No non-compliance or non-conformance issues have been recorded in 2007 to the site plans and VQO strategies or standards. | BCTS did not have any blocks in scenic areas. |

**Table 18. Hectares Harvested in 2007 Compliant with RMFD VQO Objectives- Canfor**

| Visual Quality Objective | Number of Hectares Harvested within VQO | Compliance with VQO |
|--------------------------|---|---------------------|
| Preservation             | 0                                       | N/A                 |
| Retention                | 0                                       | N/A                 |
| Partial Retention        | 57.6                                    | Yes                 |
| Modification             | 14.4                                    | Yes                 |
| <b>TOTAL</b>             | <b>72.0</b>                             |                     |

**Measure 9-2.2 Visual Stewardship**



The measure reads; “In areas outside established VQOs but in community viewsheds or major travel corridors to recreation use areas, demonstration of visible stewardship ( i.e. explanatory signage, high standards of clean-up along roadsides, landscape design procedures, and modified harvesting procedures)”

| Target  | Canfor Results  | BCTS Results                                  |
|---|---|---|
| Demonstration of appropriate practices to manage localized visuals. Documentation of mechanism. | No non-compliance or non-conformance issues have been recorded in 2007 to the site plans and VQO strategies or standards. | BCTS did not have any blocks in scenic areas. |

**Table 19. Hectares Harvested in 2007 Compliant with Canfor VQO Objectives (non-legal)**

| Visual Quality Objective | Number of Hectares Harvested within VQO | Compliance with VQO |
|--------------------------|---|---------------------|
| Preservation             | 22.9                                    | Yes                 |
| Retention                | 4.8                                     | Yes                 |
| Partial Retention        | 6.7                                     | Yes                 |
| Modification             | 0                                       | N/A                 |
| <b>TOTAL</b>             | <b>34.3</b>                             |                     |

**Measure 9-3.1 Management – Unique Sites or Features.**

The measure reads; “Existing unique sites, features and protected areas and their associated objectives, will be managed according to their associated management strategies during primary forest activities in the area.”

| Target  | Canfor Results  | BCTS Results  |
|---|---|---|
| 0 non-conformances or non-compliance with management strategies | No non-compliance or non-conformance issues have been recorded in 2007 to the site plans with regard to unique sites or features. The number of sites by type is identified in the table below. | No non-compliance or non-conformance issues have been recorded in 2007 to the site plans with regard to unique sites or features. 1 den, 1 cabin, 1 nest. |

**Table 20. Canfor summary of Unique site, features and protected areas**

| Description                                | Number or Location in DFA               | Management Practices  |
|--|---|---|
| <b>Large Scale Spatial Coverages</b>       |   |   |
| AOA polygons                               | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.2.10            |
| RMA attributes                             | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.2.4             |
| Fisheries sensitive watershed              | Palliser Landscape Unit- Palliser River | Management practices are contained within the FSP section 6.1.2.6             |
| Community and Domestic watersheds          | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.2.5 and 6.1.1.6 |
| High Conservation Value Forest             | Scattered throughout DFA                | Management practices are contained within SFMP appendix 1.8                   |
| Mature management areas                    | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.1.2             |
| Old growth management areas                | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.1.2             |
| Water- Consumptive use points of diversion | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.1.6             |
| Visual landscape Inventory                 | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.3.5             |
| Caribou Habitat areas                      | South end of DFA                        | Management practices are contained within the FSP section 6.1.1.3             |
| Grizzly bear Habitat                       | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.1.4             |
| Ungulate Winter Range                      | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.3.3             |
| Wildlife Habitat areas                     | Scattered throughout DFA                | Management practices are contained within the FSP section 6.1.3.2             |
| <b>Wildlife Tree Patches</b>               | Scattered throughout DFA – Total # 436  | Reserved from Harvest   |
| <b>Point Features</b>                      |   |   |
| Historic Cabins                            | 6                                       | Reserved from Harvest   |
| Known Den Sites                            | 9                                       | Reserved from Harvest   |
| Historic Features                          | 4                                       | Reserved from Harvest   |
| Animal Licks or Rubs                       | 8                                       | Reserved from Harvest   |
| Important Nest Sites eg Goshawk            | 10                                      | Reserved from Harvest   |
| Rare Plant Species                         | 1                                       | Reserved from Harvest   |
| Animal Wallows                             | 2                                       | Reserved from Harvest   |

**Measure 9-4.1 Safety Policies**

The measure reads; “Worker safety program for employees and contractors implemented periodically reviewed and improved (Canfor).”

| Target                    | Canfor Results  | BCTS Results   |
|---------------------------|---|--|
| 1 safety program in place | Canfor is registered as SAFE certified company with its existing safety program | BCTS is registered and will be seeking certification in 2008 |

**Measure 9-5.1 Hydrological Assessments**

The measure reads; “Hydrological Assessments are completed and regularly updated by a Qualified Registered Professional (QRP) in consumptive use watersheds.”

| Target   | Canfor Results   | BCTS Results                                  |
|--|--|---|
| Operational plans follow the recommendations in the Hydrological Assessment and if indicated, Channel Assessments and/or Drainage Plans are completed by a QRP | The number of cutblocks within Domestic or Community Watersheds in 2007 = 7 (173.3 ha) All cutblocks within Domestic or Community Watersheds are 100% compliant with the requirements of site plans which have incorporated recommendations from hydrological assessments. No non-compliance or non-conformances were recorded in 2007 with regard to site plan commitments and water. | No blocks in domestic or community watersheds |

**Measure 9-5.2 Riparian Management**

The Measure reads; “Percent of primary forest activities consistent with riparian management strategies for reserve and management zones specified in a FSP.”

| Target   | Canfor Results  | BCTS Results  |
|--|---|---|
| 0 Non-conformance or non-compliance with site plan and Forest Stewardship Plan riparian management strategies. | 0 non-compliance or non-conformances were recorded in 2007 with regard to site plan commitments and riparian strategies specified in the FSP. | 0 non-compliance or non-conformances were recorded in 2007 with regard to site plan commitments and riparian strategies specified in the FSP. |

**Measure 9-5.3 Stream crossings**

The measure reads; “Stream crossings are established and maintained according to the requirements for each stream class.”

| Target   | Canfor Results   | BCTS Results   |
|--|--|--|
| 0 Non-conformance or non-compliance with site plan and Forest Stewardship Plan riparian management strategies. | 0 non-compliance or non-conformances were recorded in 2007 with regard to plan commitments and riparian strategies as required by the Forest Stewardship Plan. | 0 non-compliance or non-conformances were recorded in 2007 with regard to plan commitments and riparian strategies as required by the Forest Stewardship Plan. |

## 6. Summary of Recommendations

The following table of recommendations are an integral part of the continual improvement process and will be considered by the Radium Public Advisory group.

| #        | Measure  | Recommendation  |
|----------|--|---|
| <u>1</u> | <b>1-4.1 Vertebrate Species-Monitoring Groups</b>                              | <p>Management strategies need to be clearly outlined in the SFMP for each species grouping. The existing habitat representation strategy, protected areas strategy, and FSP results or strategies, etc indirectly link to the species groups as such:</p> <p>Group 1- Not required</p> <p>Group 2- Protected Areas strategy, Old Growth/Mature Management Area strategy, WTP retention strategy, Ecosystem Representation strategy and measures.</p> <p>Group 3- Reporting elements associated with Habitat Elements listed for Indicator 1.3, Riparian Management strategies, WTP retention strategy, CWD strategy.</p> <p>Group 4- Standard Operating Procedures for Species Using Localized habitats</p> <p>Group 5- Tracking for interior, patch size of old forest, and edge are done under Indicator 1.2, Patch size distribution strategy, Old Growth/Mature Management Area strategy, Species at Risk strategy in FSP</p> |
| <u>2</u> | <b>3-1.2 Estimated Carbon in non-tree Vegetation</b>                           | <p>A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions. The reports indicate that approximately 30.6 megatons (MT) of total tree carbon is currently stored in the Invermere TSA. Also, the total tree carbon above ground is 45%, while 55% of the ecosystem carbon is stored in the forest floor litter, the soil and other carbon pools. Therefore, for the CFLB, ecosystem carbon storage in the Invermere TSA is estimated at approximately 120 t/ha, or 68.0 MT.</p>   |
| <u>3</u> | <b>3-2.1 Carbon Pool-Forest Products</b>                                       | <p>A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions</p>   |
| <u>4</u> | <b>3-3.1 Carbon Sequestration</b>  | <p>A target will be established with the FOREST PAG in 2008 based on the FIA Carbon Sequestration Report being completed for the DFA by Forest Ecosystems Solutions</p>   |
| <u>5</u> | <b>5-1.1 Identification of marketed/commercial non-timber forest resources</b> | <p>Management strategies need to be clearly outlined in the SFMP for the DFA identified NTFP's. This is identified in the knowledge gap appendix of the SFMP. The existing habitat representation strategy, protected areas strategy, and FSP results or strategies, etc link to the NTFP. Among these include:</p> <ul style="list-style-type: none"> <li>• Protected Areas strategy,</li> <li>• Old Growth/Mature Management Area strategy,</li> <li>• WTP retention strategy,</li> <li>• Ecosystem Representation strategy and measures</li> <li>• Reporting elements associated with Habitat Elements listed for Indicator 1.3,</li> <li>• Riparian Management strategies,</li> <li>• CWD strategy,</li> <li>• Patch size distribution strategy in FSP</li> <li>• Species at Risk strategy in FSP</li> </ul>  |
| <u>6</u> | <b>7-2.2 Demonstration of Reciprocal Knowledge Exchange</b>                    | <p>Implement the components of the communication participation plan in 2008.</p>  |

|  |  |  |
|--|--|--|
|  |  |  |
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