SUSTAINABLE FOREST MANAGEMENT PLAN

2009/10 Annual Report

As at November 29th, 2010

TREE FARM LICENCE 30

Canadian Forest Products Ltd.
Prince George Operations

BC Timber Sales
Prince George Business Area

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1.0 INTRODUCTION

Canadian Forest Products Ltd. (Canfor) achieved registration under the Canadian Standards Association CAN/CSA Z809-96 Sustainable Forest Management Standards for Tree Farm Licence 30 in July 2001.

The TFL30 Public Advisory Group (PAG) was formed in September 2000 to help Canfor identify quantifiable local-level indicators and objectives of Sustainable Forest Management. Originally, 40 indicators and objectives were identified by the TFL 30 PAG and associated with forest management practices to achieve those objectives in a Sustainable Forest Management Plan (SFMP) for Tree Farm Licence 30 (Canfor SFMP, June 2001).

British Columbia Timber Sales (BCTS) accepted the invitation to cooperate in a joint SFM plan in the fall of 2005. Canfor and BCTS (Prince George Business Area) achieved registration under an updated certification standard (CSA-Z809-02) in June 2006. As a result of the new standard and the continuous improvement process, the number of indicators has expanded to 56.

It is important to note that the TFL30 SFMP is a working document and is subject to continual improvement. Over time, new knowledge, experience and research will be incorporated in order to recognize society's environmental, economic and social values.

This Annual Report measures the signatories' performance in meeting the indicator targets outlined in the SFMP for the TFL30 Defined Forest Area (DFA), over the reporting period of April 1st 2009 to March 31st 2010. The intent of the Report is for sustainable forest management to be viewed by the public as an open and evolving process to meet the challenge of forest management on the TFL30 DFA for the benefit of present and future generations.

For further reference to the intent of the Indicators and Objectives, or the practices involved, the reader should refer to the Sustainable Forest Management Plan for Tree Farm Licence 30 (Canfor and BCTS, February 2008).

1.1 LIST OF ACRONYMS

Below is a list of common acronyms used throughout this annual report. Those wishing a more comprehensive list should consult the TFL30 Sustainable Forest Management Plan.

AIA – Archaeological Impact Assessment
BCTS (PGBA) – BC Timber Sales (Prince George Business Area)
BEC – Biogeoclimatic Ecosystem Classification
COPI – Creating Opportunities for Public Interest (Canfor)
CSA – Canadian Standards Association
CWD – Coarse Woody Debris
DFA – Defined Forest Area
FFEI – Future Forest Ecosystems Initiative
FG – Free Growing
FMS – Forest Management System
FSP – Forest Stewardship Plan
GSA – Grouped Site Association (in relation to Plant Diversity Index)
ITS – Incident Tracking System
KIT – Keeping in Touch (BCTS)

MLIB – McLeod Lake Indian Band
MoFR – Ministry of Forests and Range
NDT – Natural Disturbance Type
NDU – Natural Disturbance Unit
NFN – Nazko First Nation
NHLB – Non-timber Harvesting Landbase
PAG – Public Advisory Group
PDI – Plant Diversity Index
PFI – Peak Flow Index
PG – Prince George
PGTSA – Prince George Timber Supply Area
PMP – Pest Management Plan
SAR – Species at Risk
SCQI – Stream Crossing Quality Index
SFM – Sustainable Forest Management
SFMP – Sustainable Forest Management Plan
TFL30 – Tree Farm Licence 30
THLB – Timber Harvesting Land Base
TSFA - Terrain Stability Field Assessment
UWR – Ungulate Winter Range
WMFN – West Moberly First Nation

2.0 EXECUTIVE SUMMARY

74 targets are associated with the 56 indicators listed in the following table. Of these 74 targets, 63 were met within the prescribed variances, 2 are pending, and 9 were not met within the prescribed variances. A corrective and preventative action plan is contained in the indicator discussions for each non-conformance indicator.

Indicator	Performance Matrix	Objective Met	Objective Pending	Objective Not Met
1 Old Forest	1.1a, 2.1a	X		
2 Interior Old Forest	1.1b, 2.1b	X		
3 Young Forest Patches	1.1c	X		
4 Wet Trench & Wet Mountain Young Patch Size Distribution	1.1d	X		
5 Biodiversity Reserves	1.1e, 1.3a, 1.4e	X		
6 Stand Level Retention	1.1f, 1.3c	X		
7 Coarse Woody Debris	1.1g,h	X	X	
8 Caribou Habitat	1.2a	X		
9 Species at Risk Notice / Orders & Habitat	1.2b,c	X	X	
10 Riparian Management Areas	1.2d	XX		
11 Personnel Trained to Identify Species at Risk & Sites of Biological Significance	1.2e, 1.4a,b			XX
12 Species at Risk & Sites of Biological Significance Management Strategies	1.2f	XX		
13 Native Plant Species Diversity	1.2g	N/A		
14 Deciduous Tree Species	1.2h	X		
15 Effectiveness Monitoring Plans for Selected Wildlife Species and Ecosystem Resilience	1.2i	Indicator has been moved to the CI Matrix		
16 Distinct Habitat Types	1.3b			X
17 Chief Forester's Standards for Seed Use	1.3d	X		
18 Wildlife Biodiversity Corridors	2.2d	X		
19 Site Index	2.2g	X		

20 Soil Conservation	3.1a	XX		
21 Permanent Access Structures / Land Conversion	4.2a	X		
22 Terrain Stability	3.1c	X		
23 Reportable Spills	3.1d	X		
24 Stream Crossing Quality Index	3.2b	X		
25 Stream Crossings Installation	3.2c,d	X		
26 Peak Flow Index	3.2e	X		
27 Sediment Occurrence Mitigation	3.2g	X		
28 Net Area Reforested	4.1a	X		
29 Meeting Free Growing Dates	4.1b	X		
30 Carbon Storage	4.1c	X		
31 Volume of Timber Harvested	5.1a			X
32 Damaging Agent Assessment	5.1d,e,f	XXX		
33 Accidental Industrial Fires	5.1g	X		
34 Non-Timber Benefits Requirements	5.1h	X		
35 Public Input Opportunity and Response to Public Concerns	6.3g,h	X		
36 Viewing of Access Plans	5.1k	X		
37 Survey of Non-Timber Uses and List of Quality & Value of Non-Timber Forest Products	5.1m, 5.3c	XX		
38 Local Contract Value	5.2a	X		
39 Supply of Timber to Local Processing Facilities	5.2b	X		
40 Main Access Road Maintained	5.2c	X		
41 Stumpage Paid to Government	5.3a	X		
42 Average Income of DFA Workers	5.3b	X		

43 Donation to the Local Community	5.3d	X		
44 SAFE Certification	5.3e	XXXX		
45 Aboriginal and Treaty Rights	6.1a	X		
46 FSP Referral and PMP Referral to First Nations	6.1b,c	XX		
47 Heritage Conservation Act	6.2a	X		
48 Aboriginal Participation in Planning Process	6.2b			X
49 Aboriginal Issues Evaluated	6.2c,d	XX		
50 Aboriginal Strategy Incorporation	6.2f	XX		
51 PAG Follow Up Survey	6.3f	X		
52 Number of Public Advisory Group Meetings	6.3c,d	XX		
53 Public Sector Participation in the PAG	6.3e	X		
54 PAG and Interested Parties Satisfaction	6.3a,b, 6.4a,b	XX		X
55 Continuous Improvement Matrix	6.5a,b,c			XXX
56 Alder Conversion	1.4d	X		

3.0 SFM INDICATORS AND TARGETS

Indicator 1 OLD FOREST

Indicator Statement	Target and Variance
The amount of old forest by Landscape Unit/Natural Disturbance Type within the DFA	Target: Maintain old forests consistent with the targets in Table 1 Variance: 0%

Was the Target Met? Yes

This indicator reflects the "state of the forest" and portrays the percentage of the landscape that is represented by the older age classes. Table 1 identifies the current status of old forest representation and targets associated with each landscape and ecosystem on TFL 30.

As noted at the TFL30 PAG meeting on June 17th 2008, the Natural Disturbance Units (NDU) and merged Biogeoclimatic (BEC) units will be implemented for both Old Forest and Old Interior Forest analysis, moving forward. Natural Disturbance Types (NDT) were used for the analysis up to March 31st 2008, which will provide the baseline year for landscape-level indicators (to be reported every 3 years until harvesting activities on the TFL DFA increase). Therefore, the Old Forest and Old Interior indicators will next be reported in 2011.

The Old Forest target has been met as for this reporting period as 100% of the mature and old seral stage targets were achieved (see Table 1 below). Very little harvesting activity occurred on the TFL30 over the past year and as such a very small difference would be noted as changing from the March 31, 2008 analysis.

Table 1. Current State of Old Forest (as at March 2008, to be next reported in 2011)

Landscape Unit (2011 analysis will be conducted using NDU/Merged BEC Units	NDT	BEC Subzones	Old Forest Stage (years)	Current Status % March 31, 2008	Target % to be achieved every 3 years or (as noted)
Averil	3	SBSwk1, mk1	Old>140	36.2	> 11%
	1	ICHvk2	Old>250	40.6	> 13%
	1	ESSFwk2	Old>250	**2.2**	> 19% (2026)
Seebach	2	SBSvk	Old > 250	61	> 9%
	3	SBSwk1	Old > 140	68.6	> 11%
	1	ICHvk2	Old > 250	47.9	> 13%
	1	ESSFwk2, wc3	Old > 250	25.8	> 19% (2031)
Woodall	2	SBSvk	Old > 250	44.2	> 9%
	1	ICHvk2	Old > 250	36.2	> 13% (2016)
	1	ESSFwk2, wc3	Old > 250	**5.7**	> 19% (2071)

Bold numbers indicate a current status below the target

Old Forest is below the required targets in a number of subzones due to natural disturbances (such as fire) and harvest history. As the forest ages, the status will trend toward the targets but several decades will pass before the targets are achieved. Where areas are below the target, harvesting will not normally occur until the status is above the targets. Exceptions to this may be made for forest protection activities (beetles, windthrow).

Indicator 2 INTERIOR OLD FOREST

Indicator Statement	Target and Variance
The amount of interior old forest by Natural Disturbance Unit (NDU)/merged Biogeoclimatic Ecosystem Classification (BEC) within the DFA	Target: Achieve the targets of total interior old forest area by NDU/Merged BEC as per Table 2 Variance: 0%

Was the Target Met? Yes

Interior old forest conditions are achieved when the climatic and biotic impact of adjacent younger stands no longer influences environmental conditions. This indicator is important because many species are dependent upon interior old forest conditions for their habitat requirements.

As per the June 17th 2008 TFL30 PAG meeting, the Interior Old Forest indicator will be reported every 3 years, until such time as activities on the TFL DFA increase. Therefore, the results for the Interior Old Forest indicator will be recalculated in March 2011.

Table 2. Current Interior Old Forest Condition and Forecasting Results (as at March 2008)

NDU/Merged BEC	Target Total Old Forest Area (ha)	Target Old Interior (%)	Target Old Interior (ha)	Old Interior (%) as of March 31st 2008	Current Old Interior (ha) as of March 31, 2008	Old Interior in 50 years (%)	Old Interior in 50 years (ha)
A2 NDU_McGregor Plateau_ESSF	137	≥40%	≥55	190%	260	5%	7
A3 + A13 NDU_McGregor Plateau_SBSmk1	816	≥25%	≥204	282%	2301	1%	12
A4 NDU_McGregor Plateau_SBSvk, wk1	13,397	≥10%	≥1,340	35%	4635	4%	507
A14 NDU_Wet Mountain_ESSFwk2	3,907	≥40%	≥1,563	92%	3612	77%	3,006
A15 NDU_Wet Mountain_ESSFwc3	2,479	≥40%	≥992	48%	1192	83%	2,049
A16 NDU_Wet Mountain_SBSwk1	1,273	≥25%	≥318	139%	1768	24%	310
A17 NDU_Wet Mountain_SBSvk	28,952	≥25%	≥7,238	66%	18,983	7%	2,025
A19 NDU_Wet Trench Mountain_ESSFwk2	935	≥40%	≥374	109%	1019	105%	983
A20 NDU_Wet Trench Mountain_ESSFwc3	29	≥40%	≥11	105%	30	105%	30
A23 NDU_Wet Trench-Valley_SBSwk1	1	≥10%	≥0	0%	0	0%	0
A25 NDU_Wet Trench-Valley_SBSvk	10,342	≥25%	2,585	30%	3117	5%	509

As illustrated in Table 2, the old interior forest objective has been met as 100% of the mature and old seral stage interior forest targets were achieved. Very little harvesting activity occurred on the TFL30 over the past year and as such a very small difference would be noted as changing from the March 31, 2008 analysis.

Indicator 3 YOUNG FOREST PATCHES

Indicator Statement	Target and Variance
The young forest patch size distribution by NDU/merged BEC within the DFA	Target: To trend towards the achievement of the young forest patch size targets by NDU as per Table 3 Variance: 0%

Was the Target Met? Yes

This indicator addresses the pattern of young forest patches distributed across ecosystems and landscapes, with young forests defined as stands of 0 to 20 years of age.

Formerly, this indicator was reported as "patch size category by landscape unit", but as per the 2005/06 annual report recommendation, the methodology and targets were replaced with those used in the Prince George Timber Supply Area Landscape Biodiversity Order.

Table 3 identifies the baseline current status (June 2006) of patch size classes and targets associated with the Natural Disturbance Units on TFL 30. As per the PG TSA Landscape Biodiversity Order, reporting protocol (July 2005), the reporting will take place over a 5-year period. The next current status reporting will be in 2011.

Table 3. Current Young Patch Size Distribution (as at June 2006, to be reported next in 2011)

Natural Disturbance Unit	Young Patch Size Class				Needed Future Young Patch Size Trending
	<50 ha	50-100 ha	100-1000 ha	>1000 ha	
McGregor Plateau – Target %	**10%**	**5%**	**45%**	**40%**	
Current Young Patch Size Distribution %	3%	3%	3%	90%	Trending towards increasing <50ha and 100-1000 ha blocks
Year 50 – Young Patch Size Distribution %	19%	6%	17%	58%	
Wet Mountain – Target %	**20%**	**10%**	**60%**	**10%**	
Current Young Patch Size Distribution %	7%	7%	22%	64%	Trending towards increasing <50ha and 100-1000 ha blocks
Year 50 – Young Patch Size Distribution %	25%	11%	20%	45%	
Wet Trench – Target %	**20%**	**10%**	**60%**	**10%**	
Current Young Patch Size Distribution %	6%	4%	1%	89%	Trending towards increasing <50ha, 50-100 ha & 100-1000 ha blocks
Year 50 – Young Patch Size Distribution %	13%	5%	10%	71%	

Eight blocks were harvested in 2006/07, six blocks in 2007/08, one block in 2008/09, and four blocks in 2009/10; therefore no significant changes would be observed. As discussed in the previous indicator, it was understood in 2006 that this indicator would potentially be rolled into the PG TSA landscape biodiversity order. As this has not yet occurred, Canfor staff are reviewing and providing recommendations as to the preferred analysis methodology to use, going forward.

Indicator 4 WET TRENCH & WET MOUNTAIN YOUNG PATCH SIZE DISTRIBUTION

Indicator Statement	Target and Variance
Trend towards the percentage of area of patches in 101-500 ha range within the Wet Trench and Wet Mountain of the young patch size distribution class 101-1000 ha	Target: To trend towards the achievement of the young forest patch size targets by higher-elevation NDU as per Table 4 Variance: ±10%

Was the Target Met? Yes

This indicator addresses the pattern of young forest patches distributed within the Wet Trench and Wet Mountain NDU's. The Prince George Forest District patch size category of 101-1000 hectares is too large a range to account for the natural disturbance ecology in these higher-elevation NDU's, so the range is sub-divided for the purpose of this indicator (as per Table 4).

As per the PG TSA Landscape Biodiversity Order reporting protocol (July 2005) for patch size distribution, the reporting will take place over a 5-year period. The next current status reporting will be in 2011. No blocks were harvested within these NDU's during the reporting period.

Table 4. Wet Trench & Wet Mountain Current Young Patch Size Distribution (as at June 2006, next to be reported in 2011)

Natural Disturbance Unit	Young Patch Size Class		
	Area in 100-1000 ha class	Area & % in 100-500 ha class	Area & % in 500-1000 ha class
Wet Trench – Target %		**70% ±10%**	
Current Young Patch Size Distribution	110 ha	110 100%	0 ha 0%
Year 50 – Young Patch Size Distribution	828 ha	828 100%	0 ha 0%
Wet Mountain – Target %		**70% ±10%**	
Current Young Patch Size Distribution	3,912 ha	3,001 ha 77%	911 ha 23%
Year 50 – Young Patch Size Distribution	2,143 ha	2,143 ha 100%	0 ha 0%

With regard to the 100-500 ha patch size class, the Wet Trench NDU is currently above the target range and the Wet Mountain NDU is within the target range. As new blocks are designed in the short term within the Wet Trench NDU, there will be efforts made to increase young patch area within the 500-1000 ha patch size category so that the 100-500 ha young patch area falls within the target range.

Indicator 5 BIODIVERSITY RESERVES

Indicator Statements	Targets and Variances
The amount in hectares of landscape-level biodiversity reserves within the DFA	Target: To achieve the targets for landscape-level biodiversity reserves within the DFA as per Table 5 Variance: 0%
The hectares of unauthorized forestry-related harvesting or road construction within Protected Areas	Target: To ensure no unauthorized forestry-related harvesting occurs within Protected Areas, as per Table 5 Variance: 0%

Were the Targets Met? Yes

Landscape-level biodiversity reserves include provincial parks and all other large reserve areas that are removed from the timber harvesting landbase. This indicator evaluates the amount of productive forest devoted to landscape level biodiversity reserves, and tracks the amount of area harvested within Protected Areas to enable forest managers to determine if there are flaws in the planning and implementation of forestry activities.

As illustrated in Table 5, the objective has been met for this reporting period as there was no harvesting in protected areas within the DFA.

Table 5. Current Status of Biodiversity Reserves

Biodiversity Reserve Type	Current Status (ha)* as of March 31, 2010	Target (ha)*	Area of Unauthorized Harvest	Achievement
Giscome Portage Trail	93	93	0 ha	Annually
Horseshoe Recreation Area	649	649	0 ha	Annually
High Value Caribou Habitat	8313	8313	0 ha	Annually
McGregor River Management Zone	3182	3182	0 ha	Annually
Seebach Riparian Management Zone	1196	1196	0 ha	Annually
Tri Lakes Recreation Area	675	675	0 ha	Annually
Woodall Recreation Area	1734	1734	0 ha	Annually
Total	**15,842 ha**	**15,842 ha**	**0 ha**	

* All areas refer to the productive forested portion of the TFL

Indicator 6 STAND LEVEL RETENTION

Indicator Statement	Target and Variance
The average percentage of stand level retention in harvested areas within the DFA	Target: On an annual basis, to achieve average stand level retention of >7% Variance: >3.5% by cut block, with 0% variance

Was the Target Met? Yes

Stand level retention consists primarily of wildlife tree patches and riparian management areas. The targets of 3.5% and 7% were established by the Provincial Government (Forest Planning and Practices Regulation) to ensure an adequate amount of original stand structure is maintained in and/or around a cut block as a result of landscape planning.

From April 1st 2009 to March 31st 2010, BCTS did not conduct forest operations on the DFA. Canfor harvested 4 blocks of 516.3 ha, and designated 60.4 ha as reserve areas. The stand level retention is 15.9% within the DFA for this reporting period, with >3.5% retained on each of the harvested blocks.

Indicator 7 COARSE WOODY DEBRIS

Indicator Statements	Targets and Variances
The percentage of site plans that have Coarse Woody Debris (CWD) retention within the natural range appropriate for the site	Target: 100% Variance: 0%
Percentage of cut blocks consistent with CWD requirements in operational plans	Target: 100% Variance: 0%

Were the Targets Met? One met, one pending due to need to define "natural ranges"

Coarse woody debris (CWD) is a vital component of a healthy functioning forest ecosystem in that it provides habitat for plants and animals, and is an important source for soil nutrients and aids in soil moisture retention. Targets for CWD requirements are identified in the site plan for a specific cutblock.

In 2006/07, information was gathered to establish a natural range of CWD for the TFL30 ecosystems. This included a literature review and analysis of current data on CWD in natural forests, and the gathering of new CWD data within natural stands. However, a practical and cost-effective methodology for establishing and monitoring the ranges was not identified due to financial and resourcing constraints.

In mid-March 2010, representatives from throughout Canfor's Forest Management Group met to determine a corporate biodiversity strategy. The results from that meeting identified CWD management as being one of the key operational strategies to manage Habitat Elements. As the licensees refine the indicators in 2010/11 to transition to the CSA Z809/08 standard, the methodology for managing to appropriate CWD targets and ranges will be developed.

In the meantime, for the 2009/10 reporting period, the CWD target has been defaulted to the amount noted in the Forest Planning and Practices Regulation (FPPR) (a minimum of 4 logs per hectare, each being a minimum of 2 m long and 7.5 cm in diameter at one end). Although Canfor and BCTS recognize that 4 pieces/ha is an unrealistically small amount that is likely insufficient for biodiversity purposes, this target will be applied until a target for the natural range of CWD is established.

From April 1st 2009 to March 31st 2010, Canfor harvested four blocks on TFL 30. As determined by final harvest inspections conducted in snow-free conditions, and as confirmed during the annual internal audit field visit in June 2010, the cut blocks and site plans were consistent with CWD requirements.

Indicator 8 CARIBOU HABITAT

Indicator Statement	Target and Variance
The amount in hectares of Caribou Ungulate Winter Range Habitat within TFL30	Target: To maintain the availability of high value caribou habitat and corridor habitat consistent with the targets in Table 6 Variance: 0%

Was the Target Met? Yes

An "Ungulate Winter Range (UWR)" is defined as an area that contains habitat necessary to meet the winter habitat requirements of an ungulate species. The BC Conservation Data Centre has placed Mountain Caribou on the provincial red list, which species and sub-species that are endangered, extirpated or threatened in BC.

Canfor and BCTS are committed to 100% of forest operations being consistent with Ungulate Winter Range Order #U7-003. Canfor and BCTS are also committed to maintaining the designated travel corridors as outlined in Table 6.

Table 6. Current Status of Caribou Habitat and Connectivity Corridors

Caribou Management Areas	Target	Current Status, as of March 31st 2010	Allowable Variance	Achieved By
High Value Caribou Habitat	Reserve 100% of the high value Caribou habitat (7171ha) from harvesting.	100% reserved from harvest (7171 ha)	None	Annually
Caribou Connectivity Corridors	Maintain 5459 ha of functional* caribou connectivity corridors.	There are 5459 ha with a total of 20 BEC/NDT combinations. On average across all units, 76% of the forested area is mature.	None	Annually

* "Functional" is defined as being at least 200m wide and containing 70% mature forest

Indicator 9 SPECIES AT RISK NOTICE/ORDERS & HABITAT

Indicator Statement	Target and Variance
The percentage of forest operations consistent with approved provincial Species at Risk Notice/Orders requirements as identified in operational plans	Target: 100% Variance: 0%
Identify the amount of Species at Risk (wildlife) habitat (ha) within TFL 30	Target: March 31, 2010 Variance: +6 months variance *(Revision date: June 16, 2009)*

Were the Targets Met? SAR Notice/Orders: Yes; SAR (wildlife) habitat: Pending

In the DFA, mountain caribou, grizzly bear, fisher, and wolverine are red- or blue-listed species that play a key role in the ecosystems and/or are of great socio-economic value.

One provincial Species at Risk order applies to the DFA (Ungulate Winter Range Order #U-7-003, pertaining to Mountain Caribou). 100% of the blocks harvested within the DFA during the reporting period were consistent with the requirements of Order #U-7-003.

The target date for the identification of Species at Risk habitat was discussed at the March 24th 2009 TFL PAG meeting; however, a quorum was not present at that meeting. At its June 16th 2009 meeting, the PAG consented to changing this target date from December 31st 2007 to March 31st 2010. This change was based on the need for further work on Canfor's division-wide implementation of a Biodiversity Conservation Strategy species accounting system, which is ongoing.

As discussed in the Indicator 15 text, in mid-March 2010, representatives from throughout Canfor's Forest Management Group met to determine a corporate biodiversity strategy, which will follow the tenets of Dr. Fred Bunnell's biodiversity conservation approach. The strategy encompasses the goals of managing for ecosystem diversity, species diversity, genetic diversity and a conservation strategy. Sub-strategies include management and monitoring for ecosystem representation, landscape elements, habitat elements and species accounting.

Efforts to develop and implement Canfor's biodiversity strategy will be linked in 2010/11 with the transition to the CSA Z809/08 standard. It is believed that implementation of the strategy will be a cost-effective and scientifically credible realization of the intent of this indicator.

Indicator 10 RIPARIAN MANAGEMENT AREAS

Indicator Statement	**Target and Variance**
Percentage of forest operations consistent with riparian reserve requirements as identified in Site Plans	Target: 100% Variance: 0%
Percentage of forest operations consistent with riparian management requirements as identified in Site Plans	Target: 100% Variance: 0%

Were the Targets Met? Yes

Riparian areas occur next to the banks of streams, lakes and wetlands and include both the area covered by continuous high moisture content and the adjacent upland vegetation. Riparian management areas contribute to the sustainable forest management of TFL 30 through the conservation of riparian and aquatic environments, which are key to the survival of flora and fauna species. Riparian management areas also provide critical habitats, home ranges, and travel corridors for wildlife.

Over the past harvesting year (April 1st 2009 to March 31st 2010), 100% of all riparian reserve and riparian management requirements were consistent with the site plans, as determined through a review of the Canfor Incident Tracking System.

Indicator 11 PERSONNEL TRAINED TO IDENTIFY SPECIES AT RISK & SITES OF BIOLOGICAL SIGNIFICANCE

Indicator Statements	**Targets and Variances**
Percentage of appropriate personnel trained to identify Species at Risk and their habitat	Target: 100% Variance: 0%

Percentage of appropriate personnel trained to identify Sites of Biological Significance.	Target: 100% Variance: 0%

Were the Targets Met?
BCTS: Yes
Canfor: No

What Happened? An insufficient number of appropriate Canfor Staff completed (64%) completed the required online training or the refresher training online in the spring of 2009.

Root Cause: Canfor implemented an online SAR training and management program in the Spring of 2009. It was determined that 64 % of the appropriate Canfor personnel were trained on the identification of Species at Risk and Sites of Biological Significance. Submission of training records to the Canfor Office Manager were found to be deficient. Canfor conducted a root cause analysis to determine why this indicator was not met. The root cause was identified as ineffective monitoring of compliance with the training requirement.

Action Plan: Canfor's "Standard Work Procedure for the Species at Risk and Sites of Biological Importance" was revised in April 2010 to include a section for Canfor's SAR Supervisor to compare (by mid-June of each year) the SAR & SBI training records against Canfor's Training Matrix, to identify and follow up with staff and/or contractors who potentially missed the training.

This indicator defines Species at Risk (SAR) as endangered or threatened species; red-listed animal species, forested plant communities and plants; blue-listed animal species and forested plant communities; and provincially identified wildlife. Sites of Biological Significance include sites that support red- and blue-listed plant communities and rare ecosystems; protected areas (such as parks and wildlife reserves); and features such as bald eagle or osprey nests and mineral licks.

100 % of the appropriate Canfor personnel were trained on the identification of Species at Risk and Sites of Biological Significance in the spring of 2006. This training is mandatory for new staff and contractors and is scheduled as update training every 3 years. However, only 64% of Canfor personnel are documented as having received the update training in the spring of 2009. The Canfor Office Manager records and tracks this training and a training module has been developed to provide refresher training to all those requiring training within the 3 year period. In addition, Canfor staff developed a Standard Work Procedure for the Species at Risk and Sites of Biological Importance Program during the reporting period, which provides a clear structure for training, procedures and reporting.

BCTS (Prince George Business Area) implemented an online SAR training and management program in the Spring of 2008. Training is provided at least every 2 years, with the list of appropriate staff managed by the Certification Standards Officer (CSO).

100% (17/17) of the appropriate BCTS staff and/or consultants received this training during the reporting period.

Indicator 12 SPECIES AT RISK & SITES OF BIOLOGICAL SIGNIFICANCE MANAGEMENT STRATEGIES

Indicator Statements	Targets and Variances

Percentage of forest operations consistent with Species at Risk management strategies applicable to TFL 30	Target: 100% Variance: 0%
Percentage of forest operations consistent with Sites of Biological Significance management strategies applicable to TFL 30	Target: 100% Variance: 0%

Were the Targets Met? Yes

Over the past three years, Canfor has developed and implemented management strategies for Species at Risk and some Sites of Biological Significance on the DFA. In 2006, BCTS completed a set of management strategies for their operations in the Prince George Forest District including TFL30. The Species at Risk management guidelines for licensees in the Prince George TSA were last reviewed and released in April 2009.

During pre-harvest fieldwork, a Species at Risk was identified on the one block harvested by Canfor on the TFL for this reporting period. The block boundary was modified to protect the habitat for this species, the SAR identification and management strategy was addressed in the site plan, and forest operations were conducted consistent with the strategy.

Indicator 13 NATIVE PLANT SPECIES DIVERSITY

Indicator Statement	Target and Variance
Native plant species diversity index by plant associations within the DFA	Target: Maintain plant species diversity consistent with the targets identified in Table 7 Variance: 0%

Was the Target Met? Not applicable.

What Happened? Based on the discussion in the 2008-09 annual report, there was to be no reporting on this indicator in 2009-10.

Root Cause: Not applicable

Action Plan: The intent of sustaining biodiversity cannot be assessed by a diversity index. Canfor proposes to remove the Plant Diversity Index indicator from the CSA Z809-08 version of the SFMP. The components of value in the old plant diversity indicator will be addressed using indicators on Species at Risk and focal species to address plant species of concern, and the measures contained within the indicators for ecosystem representation and sites of biological significance to assess whether rare communities are being sustained.

Indicator 14 DECIDUOUS TREE SPECIES

Indicator Statement	Target and Variance
Proportion of mature and old deciduous tree species by BEC subzone within the DFA	Target: Achieve the proportion of mature and old deciduous tree species by BEC subzone consistent with the targets in Table 8. Variance: -1%

Was the Target Met? Yes

The current status of this indicator (Table 8) remains unchanged from the information presented in the Sustainable Forest Management Plan for TFL30 (June 27, 2001), and indicates that the objective has been met. This indicator will be updated following the next re-inventory, which will be conducted in conjunction with the preparation of Management Plan 10 in 2012.

Table 8. Current Deciduous Tree Species Component and Targets

BEC subzone	Natural Stands Current Status *	Managed Stands Current Status *	Target Managed Stands*	Achieved by :
SBS mk1	11%	14%	>6%	Every 5 year re-inventory period
SBS wk1	7%	15%	>5%	
ICH vk2	2%	4%	>1%	
ESSF (all subzones)	0%	0%	0%	
SBS vk	2%	8%	>2%	

% deciduous based on basal area; the current status % were obtained by multiplying the percent composition of deciduous in each stand by BEC subzone reported in the VRI attribute file by the forested area within the stand then dividing by the total forest area in each BEC subzone variant (see table 51 and 52 in the MP 9 data information package for more details).

The current status of deciduous basal area in the ESSF is 0% in natural and managed stands due to the lack of deciduous species in high elevation ecosystems.

Indicator 15 EFFECTIVENESS MONITORING PLANS FOR SELECTED WILDLIFE SPECIES AND ECOSYSTEM RESILIENCE

Indicator Statement	Target and Variance
Effectiveness monitoring plans (wildlife) are developed and implemented for selected indicator species to keep common species common; and a monitoring plan is developed and implemented for evaluating ecosystem resilience.	Target: To develop and implement an effectiveness monitoring plan (wildlife) and monitoring plan for ecosystem resilience by the target date of March 31, 2010 Variance: +3 months *(Revision date: June 16th 2009)*

Was the Target Met? N/A – as of January 14th 2010, this indicator has been moved to the Continuous Improvement Matrix (see discussion below).

To determine if productive populations of a selected species are present and well distributed throughout their habitat within the DFA, Canfor and BCTS committed to developing an Effectiveness Monitoring Plan for one or more indicator species. This plan will help determine if current management practices and policies are successful in producing desired populations.

Although Proulx and Bernier developed a report on an Effectiveness Monitoring Plan for the DFA in March 2007, the field inventories and further planning scheduled for 2007 were not conducted due to resourcing constraints. Effectiveness monitoring within the TFL and other Canfor Defined Forest Areas is currently under review to determine an overall biodiversity strategy that will embody a number of stand and landscape level biodiversity objectives.

The fourth year of a FIA-funded songbird monitoring project was conducted in 2009/10. This project provides baseline data to support a Species Accounting Strategy. Periodic monitoring of songbird populations and comparison against the baseline data will be used to assess habitat function for multiple species associated with specific forest types.

In anticipation of the identification of a Canfor corporate biodiversity strategy during the 2009/10 period, a change to the target completion date was discussed at the March 24th 2009 TFL PAG meeting. As a quorum was not present at that meeting, the PAG consented at its June 16th 2009 meeting to changing the target date for these indicators from December 31st 2007 to March 31st 2010, in order to allow time for strategy development. At its January 14th 2010 meeting, the PAG consented to moving this indicator to the Continuous Improvement Matrix, in order to allow for the time required to develop the biodiversity strategy and determine a meaningful, cost-effective method for effectiveness monitoring of selected wildlife species and ecosystem resilience.

In mid-March 2010, representatives from throughout Canfor's Forest Management Group met to determine a corporate biodiversity strategy, which will follow the tenets of Dr. Fred Bunnell's biodiversity conservation approach. The strategy encompasses the goals of managing for ecosystem diversity, species diversity, genetic diversity and a conservation strategy. Sub-strategies include management and monitoring for ecosystem representation, landscape elements, habitat elements and species accounting.

Efforts to develop and implement Canfor's biodiversity strategy will be linked in 2010/11 with the transition to the CSA Z809/08 standard. It is believed that implementation of the strategy will be a cost-effective and scientifically credible realization of the intent of this indicator.

Indicator 16 DISTINCT HABITAT TYPES

Indicator Statement	Target and Variance
The percentage of area (ha) occupied by Distinct Habitat Types in the non-harvesting landbase.	Target: >=15% of common ecosystem groupings will be maintained in the NHLB; and >=50% of rare ecosystem groupings will be maintained in the NHLB Variance: 0%

Was the Target Met? No

What Happened? Canfor harvested four blocks during the 2009-10 reporting period. Three of these blocks contained Distinct Habitat Types and the TFL30 SFMP-defined management strategies were not implemented. For two of the blocks, the plans were finalized and cutting permits issued prior to this indicator's incorporation into the SFMP. The third block was planned prior to the indicator being accepted into the SFMP but the fieldwork and permitting were conducted while the indicator was in place.

Root Cause: A lack of process to ensure staff awareness of the recommended management strategies for the Distinct Habitat Types.

Action Plan: Include guidance in Canfor's standard work procedures for relevant functional groups (Planning, Permitting and Field Operations), to identify whether Distinct Habitat Types exist within

proposed blocks and therefore require modified management.

Maintenance of distinct habitat types on the Non-timber Harvesting Land Base (NHLB) is important for many reasons, primarily the use of natural landscapes in comparison to managed landscapes. Unmanaged stands play an important role as a precautionary buffer against errors in efforts intended to sustain species and a variety of genes within the managed forest.

The TFL30 DFA includes 31 Distinct Habitat Types that were overlaid onto the NHLB and Timber Harvesting Land Base (THLB). A query of hectares associated with each habitat type within the NHLB and THLB was completed in 2006. The results were integrated into a preliminary rating of relative ecological risk associated with ecosystem representation and maintenance of Distinct Habitat Types. Targets were set in 2006 for all habitat types based on whether they were uncommon or common. Seven distinct habitat types did not meet the target set for area located in the NHLB, and therefore these habitat types have stand level retention strategies applied in order to slowly increase the overall area located in the NHLB (stand level retention being a part of the NHLB).

In 2008, the ecosystem groupings for the entire PG TSA (including the TFL) were reviewed and refined. It was expected that a Forest Investment Account Ecosystem Representation Analysis project would be conducted in 2009/10 to incorporate data from the PG TSA TSR IV data package. However, this project was not conducted due to persistent questions regarding the TSR IV calculation methodology for the NHLB and THLB figures. However, analysis for the TFL30 Management Plan 10 is underway, and ecosystem representation analysis will be conducted to reallocate the distinct habitat types according to the latest NHLB and THLB definitions. Results of this analysis project will require the entire PG TSA and the TFL30 distinct habitat types to be reviewed and the management strategies updated.

In the meantime, Canfor and BCTS have incorporated the Distinct Habitat Type targets into the general block planning process. A spatial layer of the Distinct Habitat Types requiring management in TFL30 exists for planners; this layer is represented on field layout maps for identification and verification in the field.

Indicator 17 CHIEF FORESTER'S STANDARDS FOR SEED USE

Indicator Statement	**Target and Variance**
Percent compliance with Chief Forester's Standards for Seed Use	Target: To maintain 100% compliance with the Chief Forester's Standards for Seed Use Variance: 0%

Was the Target Met? Yes

The Chief Forester's Standards for Seed Use is a component of the Forest and Range Practices Act (FRPA). Adherence to the Standards is crucial for sustainable forest management as the standards are designed to establish healthy stands composed of ecologically and genetically appropriate trees. Planting unsuitable genetic stock could result in stands that will not meet future economic and ecological objectives.

Table 9 shows the area planted with seedlings and seeds within the DFA in accordance with the Chief Forester's Standards for Seed Use for this reporting period.

Table 9. Compliance with Chief Forester's Standards for Seed Use April 1/09 to March 31/10

Licensee	Total Area Planted (ha)	Area Planted in Accordance with Chief Forester's Standards* (ha)	Total % DFA**
Canfor	1373.0	1373.0	100%
BCTS	40.5 ha	40.5 ha	100%
TOTAL			**100%**

* *Measured in terms of number of trees purchased*

** %=(Area planted in accordance with Chief Forester's Standards for Seed Use/total area planted) X 100

Indicator 18 WILDLIFE BIODIVERSITY CORRIDORS

Indicator Statement	Target and Variance
The area in hectares in wildlife biodiversity corridors within the DFA	Target: To maintain ≥82 ha of wildlife biodiversity corridors within the DFA Variance: 0%

Was the Target Met? Yes

Canfor has been actively planning for wildlife movement corridors since 1999. These movement corridors provide a mosaic of early-, mid- and late-successional vegetation stages which accommodates the needs of furbearers by giving them access to canopy cover and promoting the use of openings and ecotones for foraging.

A Certified Wildlife Biologist designed the corridors within the DFA, which are intended to mimic natural patterns of connectivity and to provide basic ecological linkages throughout the forest landscape.

As of March 31st 2010, more than 82 ha of wildlife biodiversity corridors have been maintained within the DFA.

Indicator 19 SITE INDEX

Indicator Statement	Target and Variance
Site index by BEC subzone within the DFA	Target: To maintain the site index consistent with the targets in Table 10 Variance: -5%

Was the Target Met? Yes

Site index is a relative measure of forest site quality. It is a measure of the height growth that can be expected in 50 years (after trees reach 1.3 m in height) by a particular tree species on a given site. Since site index is a physical measure of the growth of trees in a stand at a specified point in time, it provides a good method to evaluate if the productivity capacity of the forest is being maintained.

Data from 2004 to 2008 was collated by BEC subzone for the site index calculation. The data mainly included pre-1987 silviculture surveys and recent free growing surveys, which allowed for growth intercept assessment of site index.

As illustrated in Table 10, the objective has been met for the reporting period as the current status of the site indices exceeds the targets.

Table 10. Current Status of Site Index

BEC Subzone	Elevation	Current Status (Average Spruce Site Index (m))	Target (Average Spruce Site Index in meters)	Achieved By
SBSmk1 SBSvk SBSwk1	Less than 1000m	22.5*	>19.4	5-year rolling average
SBSvk SBSwk1	More than 1000m	22.1*	>19.6	
ESSFwc3	More than 1000m	N/A	N/A	
ESSFwk2	More than 1000m	20.4	>16.8	
ESSFwcp3	More than 1000m	N/A	N/A	
ICHvk2	More than 1000m	23.5	>20.2	

(Numbers indicate updated average based on data collected during the reporting year)

Indicator 20 SOIL CONSERVATION

Indicator Statement	**Target and Variance**
The percentage of forest operations consistent with soil conservation standards as identified in Site Plans	Target: To achieve 100% of forest operations consistent with soil conservation standards as identified in Site Plans Variance: 0%

Was the Target Met? Yes

An objective of soil conservation standards is to ensure that site productivity is conserved and that impacts to other resource values are prevented or minimized. Site Plans prescribe strategies for each site to conduct forest management activities while remaining within acceptable soil disturbance limits.

During the reporting period of April 1st 2009 to March 31st 2010, Canfor harvested 4 blocks and conducted mechanical site preparation on 0 blocks. A review of the incident tracking system indicates that 100% of these Canfor blocks were consistent with the soil conservation targets identified in the Site Plans.

Indicator 21 PERMANENT ACCESS STRUCTURES/LAND CONVERSION

Indicator Statements	**Targets and Variances**
The total percentage of forested land area occupied by permanent access structures	Target: ≤3% Variance: +1%

To maintain the percentage of productive forested land area converted to other non-forested areas to ≤0.5%	Target: ≤0.5% Variance: +0.2%

Were the Targets Met? Yes

A permanent access structure is a structure (including a road, bridge, landing, gravel pit or other similar structure) that provides access for timber harvesting and remains after timber harvesting activities on the area are complete. Conversion to other uses would include any development project not covered under the above definition. This indicator is simply a measure of the amount of area permanently removed on an annual basis from the productive forest as a result of development, in relation to the defined forest area.

The productive forested land base is 180,701 ha. As of March 31st 2010, a total of 4270 ha (2.36%) of the productive forested land base is classified as permanent access structures.

16.9 ha of land conversion occurred during the reporting period, so as of March 31st 2010, a total of 0.01% of productive forested land had been converted to non-forested areas.

Indicator 22 TERRAIN STABILITY

Indicator Statement	Target and Variance
The percentage of forest operations consistent with terrain management requirements as identified in Site Plans	Target: To ensure that 100% of forest operations are consistent with terrain management requirements as identified in Site Plans Variance: 0%

Was the Target Met? Yes

A terrain stability field assessment (TSFA) is an assessment that is conducted by a certified terrain stability specialist (usually a professional geo-scientist/engineer) on areas determined to be at risk from mass wasting. TSFA's are completed on any proposed harvest area or road location that lies within an area identified as either unstable or potentially unstable. The assessment is usually completed prior to preparation of the site plan or road layout and design, to facilitate integration of the recommendations into the relevant operational plan. To ensure the recommendations are followed, Canfor conducts internal checks prior to the development project (pre-work meeting), and following project completion (final inspection). Inconsistencies are reported through Canfor's Environmental Management System.

Terrain stability field assessments were not required on the four blocks harvested by Canfor during the reporting period of April 1, 2009 to March 31, 2010.

Indicator 23 REPORTABLE SPILLS

Indicator Statement	Target and Variance
The number of "legally" reportable spills	Target: 0 Variance: 0%

Was the Target Met? Yes

This indicator is intended to monitor the number of spills that may occur as a result of forest operations and evaluate the success of measures to reduce such spills. By tracking spill occurrence, guidelines and procedures can be adjusted to improve handling and transportation procedures to avoid a reoccurrence of the spill.

Over the reporting period of April 1st 2009 to March 31st 2010, no reportable spills were caused within the DFA by Canfor or BCTS operations.

Indicator 24 STREAM CROSSING QUALITY INDEX

Indicator Statement	Target and Variance
Stream Crossing Quality Index (SCQI) for each watershed within the DFA	Target: 100% of Sub-basins to have <10% SCQI "high index" concerns Variance: -25%

Was the Target Met? Yes

The stream crossing quality index is a measure of the potential of a stream crossing (on a permanent road) to deliver sedimentation into the stream. A high index indicates a high potential for the crossing to add sediment to the adjacent stream, whereas a low index indicates that the crossing is being well-managed to reduce the possibility of sedimentation.

The following progress has been made on this indicator since June 2001:
P. Beaudry & Associates developed a stream crossing quality index scoring methodology for Canfor, and produced a stream crossing inventory map.
An associated database of stream crossing information was developed.
Stream crossings were sampled in 8 sub-basins in TFL30 in 2002.
Sampling continued in the summer of 2004 with the completion of the Upper Seebach and 7 additional watersheds.
In 2005, work completed on crossings in two watersheds resulted in moving them below the target. Also in 2005, an update to the plan for maintaining this indicator below threshold levels was completed.
13 crossings with High SCQI scores were rehabilitated in the summer of 2006 (Lower Olsson and Basin 4)
In 2007, P. Beaudry & Associates updated the 2005 plan and identified five watersheds where the SCQI exceeded the targeted threshold. No restoration work was conducted in the summer of 2007 due to time constraints cause by heavy snowpack and the deactivation of the Sustut operating area.
In the summer of 2008, restoration work was completed on the sites identified in the 2007 plan, resulting in the current status where 96% of the sub-basins have less than 10% high SCQI concerns.

No work was undertaken in 2009, as the targets are being met and activity levels are very low. Dependent on activity levels on the DFA, the SCQI evaluation may be revisited in 2012 or so, as per the recommendation in P. Beaudry & Associates May 2007 Update Plan for SCQI to re-evaluate every five years.

Table 11. Stream Crossing Quality Index within TFL30 for 2009/10

Sub-Basin	Number of Crossings Surveyed	Target % Crossings High	2007/08 % Crossings High	2008/09 % Crossings High	Current Status (2009/10) % Crossings High
Barney Creek	70	<10 %	5.71	5.71	5.71
East Olsson	39		2.6	2.6	2.6

Herring	83		10.8	9.6	9.6
Lower Olsson	48		10.4	10.4	10.4
Residual D	44		2.27	2.27	2.27
Upper Seebach	300		6.0	6.0	6.0
Basin 4	48		4.2	4.2	4.2
Woodall	96		7.29	7.29	7.29
East Seebach	269		6.3	6.3	6.3
Averil	157		11.5	2.5	2.5
Limestone	59		0	0.0	0.0
Watershed 20	62		21	4.8	4.8
Basin A	100		5	5.0	5.0
Watershed 25	22		13.64	9.0	9.0
Upper Olsson	187		3.2	3.2	3.2
Lower Seebach	52		11.5	0.0	0.0
Tay Creek	35		0	0.0	0.0
Horn Creek	173		6.4	6.4	6.4
Basin C	54		0	0.0	0.0
Basin 7	13		0	0.0	0.0
Mokus Creek	24		8.3	8.3	8.3
West Torpy	114		0	0.0	0.0
Hubble Creek	60		0	0.0	0.0
Basin F	17		0	0.0	0.0

Indicator 25 STREAM CROSSINGS INSTALLATION

Indicator Statement	Target and Variance
The percentage of new or deactivated stream crossings that maintain natural stream flow	Target: To maintain natural stream flow on 100% of new or deactivated stream crossings Variance: 0%

Was the Target Met? Yes

As roads are constructed to access areas for forest operations, it is necessary to build structures (i.e. culverts, bridges) where roads intersect with streams. This indicator will measure the success of maintaining fish movement and managing peak flow at all new and deactivated stream crossings in the DFA.

Streams and crossing structures are identified during site plan preparation. All streams are surveyed for fish bearing potential and qualified personnel determine probable peak flow volumes. The appropriate culvert size and installation procedures are then prescribed for the stream crossing. Forest Management System (FMS) pre-work forms are completed prior to installation and the supervisor is then required to perform a complete inspection of the structure. In addition, many stream crossing structures undergo scheduled inspections over time, as part of FMS procedures.

During the reporting period, Canfor installed or deactivated 11 stream crossings on the DFA. 7 of these were part of the deactivation of the Crotch Creek Road located at 28 Km on the Pass Lake Road

(McGregor FSR). 8.6 kilometres of road were deactivated, and three bridges and four culverts were permanently deactivated on crossings over Crotch Creek.

Indicator 26 PEAK FLOW INDEX

Indicator Statement	Targets and Variances
Peak flow index (PFI) for each watershed within the DFA	Target: Each year, 100% of the watersheds will be below the baseline target in Table 12 Variance: -10%
	Target: Each year, all watersheds that exceed the baseline target will have a watershed review completed wherever new harvesting is planned Variance: 0%

Was the Target Met? Yes

The peak flow index is an indicator of the potential effect of harvested areas on water flow in a particular watershed. Most hydrologic impacts occur during periods of the peak stream flow in a watershed. Peak flow is the maximum flow rate that occurs within a specified period of time, usually on an annual or event basis. In the interior of British Columbia, peak flow occurs as the snowpack melts in the spring.

Table 12 presents the current peak flow index status in the 27 watersheds on the TFL. Currently, 96% of the watersheds are below the targets.

Table 12. Current Peak Flow Index on the DFA

Watershed name	PFI as of March 31, 2009	PFI as of March 31, 2010	Annual Target
20 (TFL30)	31.5	37.2	<65
25 (TFL30)	35.8	30.7	<80
27 (TFL30)	35.9	35.9	<80
4 (TFL30)	61.5	62.0	<65
7 (TFL30)	43.5	41.9	<80
Averil Creek (TFL30)	40.0	38.5	<65
Barney Creek (TFL30)	**42.5**	**41.4**	**<37**
East Olsson (TFL30)	37.6	36.5	<37
East Seebach (TFL30)	27.3	26.7	<80
Herring Creek (TFL30)	39.4	39.1	<65
Hubble Creek (TFL30)	35.2	36.9	<80
Limestone Creek (TFL30)	48.9	47.6	<80
Lower Olsson (TFL30)	49.8	49.5	<65
Lower Seebach (TFL30)	43.3	43.5	<65
Mokus Creek (TFL30)	49.0	48.2	<90
Resid A (TFL30)	33.6	33.8	<65
Resid B (TFL30)	29.4	28.0	<37
Resid C (TFL30)	31.8	31.2	<65
Resid D (TFL30)	20.4	19.9	<37

Resid E (TFL30)	41.1	41.0	<65
Resid F (TFL30)	32.3	30.5	<65
Tay Creek (TFL30)	28.0	27.2	<80
Upper Olsson (TFL30)	31.8	28.7	<80
Upper Seebach (TFL30)	34.4	33.6	<80
West Torpy (TFL30)	15.0	15.6	<37
Woodall Creek (TFL30)	28.5	27.2	<37

Bold numbers indicate watersheds with a PFI that currently exceeds the target

As highlighted in Table 12, Barney Creek watershed currently exceeds the PFI threshold. Mountain pine beetle-attacked stands in the Barney Creek area were the focus of Canfor's recent harvesting operations; the last of the MPB blocks was harvested during the reporting period and no further harvesting is planned within the short-term. Therefore, the trend for PFI in this watershed should continue to decrease over time.

Indicator 27 SEDIMENT OCCURRENCE MITIGATION

Indicator Statement	Target and Variance
The percentage of unnatural sediment occurrences where mitigative actions were taken	Target: On an annual basis, to take mitigative action, if required, on 100% of known unnatural sediment occurrences Variance: -5%

Was the Target Met? Yes

Forestry personnel detect sedimentation occurrences during stream crossing inspections, road inspections, silviculture activities, and other general activities. While in some situations the sites may have stabilized so that further sedimentation does not occur, in other cases mitigative actions may be required. This may involve re-contouring slopes, installing siltation fences, re-directing ditch lines, grass seeding, or deactivating roads.

No unnatural known sedimentation occurrences required mitigating actions between April 1st 2009 and March 31st 2010 in the DFA.

Indicator 28 NET AREA REFORESTED

Indicator Statement	Target and Variance
Percentage of net area regenerated within 3 years after the completion of harvesting	Target: To regenerate 100% of net area within 3 years of harvest completion Variance: -5%

Was the Target Met? Yes

Tracking plantation establishment will allow forest managers to assess how quickly and successfully regeneration is occurring, and if possible, adjust operations to reduce the time it takes to achieve reforestation.

As shown in Table 13, 100% (784.9 ha of 784.9 ha) of net areas to be reforested have been regenerated within 3 years after start of harvesting by Canfor. As reported in the 2008/09 annual report, 8.6 ha that were planted with the wrong preferred species will be fill planted in 2010. BCTS had previously reported meeting the target of regenerating 100% of net area within 3 years of harvest completion; as no BCTS blocks have been harvested since 2005, no area has required reforestation.

Table 13. Net Area Reforested within 3 Years of Start of Harvesting

Licensee	Net Area Harvested (ha)	Net Area Regenerated (ha)	% in DFA
Canfor	784.9	784.9	
BCTS	0	0	
TOTAL	**784.9**	**784.9**	**100%**

Indicator 29 MEETING FREE GROWING DATES

Indicator Statement	Target and Variance
Percentage of cut block area that meets Free Growing requirements as identified in Site Plans.	Target: To meet Free Growing requirements as identified in Site Plans for 100% of cut blocks Variance: -0%

Was the Target Met? Yes

A free growing stand is a stand of healthy trees of a commercially valuable species, the growth of which is not impeded by competition from plants, shrubs or other trees (BC MOF 1995b). A free growing assessment is conducted on stands based on the time frame indicated by the site plan, and assesses the fulfilment of a Licensee's obligation to the Crown for reforestation.

If a survey indicates that the stand has not achieved free growing status by the required date, corrective actions will be prescribed immediately in order to remedy the situation while still meeting the late free growing deadline.

For the reporting period of April 1st 2009 to March 31st 2010, the target for this measure was met as demonstrated in Table 14.

Table 14: Percent of Cut Block Area that Meets Free Growing Requirements as Identified in Site Plans (April 1, 2009 to March 31, 2010)

Licensee	Cut block area required to meet late Free Growing (FG) during reporting period	Cut block area required to meet FG succeeding in meeting FG during or before reporting period	% of Target*
Canfor	2480.5	2480.5	
BCTS	0	0	
TOTAL	**2480.5**	**2480.5**	**100%**

* % = (Cut block area achieving free to grow status/ cutblock area required to meet free to grow status) X 100

Indicator 30 CARBON STORAGE

Indicator Statement	Target and Variance
The amount of carbon stored in forest ecosystems within the DFA, reported separately for the timbered and non-timbered land bases	Target: To maintain carbon storage in forest ecosystems within the DFA at >150 tonnes/ha Variance: 0 tonnes/ha

Was the Target Met? Yes

As reported in the 2008/09 TFL30 Annual Report: Following a presentation on the carbon storage indicator at a January 2007 meeting, the PAG agreed upon a target of 150 tons/ha and a variance of 0 tons/ha, to be reported by timbered and non-timbered land bases. At the time, it was determined that the indicator would be reported when the timber supply analysis was conducted (generally, every five years or when other analysis opportunities allow for efficient reporting).

As of June 2010, it is expected that the TFL30 timber supply analysis will be initiated in early 2011. Therefore, the data is not available to update the indicator reporting for this particular carbon storage target for this reporting period.

In the meantime, Canfor staff has been working on the development of a corporate carbon strategy. A FIA-funded report entitled "The Development of Forest Carbon Indicators and Monitoring Strategies" was received on March 31st 2010. The final report identifies carbon indicator candidates, targets and monitoring strategies. The information from this report will be considered as Canfor and BCTS undertake the standardization of indicators as part of the transition from the CSA Z809-02 to the Z809-08 standard. As the Z809-08 standard includes a core indicator on Net Carbon Uptake, more preparatory work will be completed on the carbon indicator and presented to the PAG for discussion within the next two years.

Indicator 31 VOLUME OF TIMBER HARVESTED

Indicator Statement	Target and Variance
Cut control volume of timber harvested (m^3/year) within the DFA	Target: To meet the target of ≤100% of cut control volume of timber harvested (m^3/year) within the DFA Variance: +10% over each five-year cut control period

Was the Target Met? No

What Happened? The mountain pine beetle epidemic in the Prince George TSA has shifted harvest priority to the pine-dominated Prince George and Fort St. James DFA's, temporarily reducing the cut in TFL30.

Root Cause: Government-supported forest management and business decision to focus harvesting and reforestation efforts on dead and dying pine stands.

Action Plan: No action plan is required. It is anticipated that the cut will shift back to TFL30 within the next three to five years, when the pine stands elsewhere in the Prince George Timber Supply

Area have been addressed.

The harvest level for a defined area must be met within thresholds that are established by the Crown. Maintaining the rate of harvest consistent with what is considered by the province to be sustainable ecologically, economically and socially within the DFA is considered sound forest management. Due to the current mountain pine beetle epidemic in the Prince George TSA, harvest priority has shifted to the Prince George and Fort St. James DFA's and the cut has been temporarily reduced in TFL30.

This indicator is a simple annual summary of the volume of timber harvested form the DFA. These values are determined from timber scale billings from each calendar year, based on the data used by the Crown to determine stumpage revenue.

The current status of volume cut in 2009 is shown in Table 15. BCTS cut 103,976 m3 during the period from 2000-2004, and 0 m3 from 2005-2008 (as shown in Table 16).

Table 15. Canfor - Current Allowable Annual Cut on the DFA

Year	Actual Recorded Cut (m^3)	Allowable Annual Cut (m^3)	% Recorded Cut of AAC	5-Year Cut Control %
2000	285,016	328,688	86.7%	98.3%
2001	165,183	328,688	50.3%	
2002	375,231	328,688	114.2%	
2003	301,940	180,000	190.3%	
2004	135,220	180,000	86.6%	
2005	41,506	180,000	23.1%	50.9%
2006	43,371	180,000	24.1%	
2007	169,869	180,000	94.4%	
2008	122,223	180,000	67.9%	
2009	81,526	180,000	45.3%	

Table 16. BCTS – Current Allowable Annual Cut on the DFA

Year	Actual Recorded Cut (m^3)	Allowable Annual Cut (m^3)	% Recorded Cut of AAC	5-Year Cut Control %
2000	41,182	65,253	63.1%	70.1%
2001	62,794	21,312	294.6%	
2002	0	21,312	0%	
2003	0	21,312	0%	
2004	0	21,312	0%	
2005	0	21,312	0%	(Note that the final review of this measure will be undertaken at the end of the cut control period)
2006	0	21,312	0%	
2007	0	21,312	0%	
2008	0	21,312	0%	
2009	0	21,312	0%	

Indicator 32 DAMAGING AGENT ASSESSMENT

Indicator Statement	Target and Variance
Percentage of the DFA (pre-harvest and after free growing) assessed for damaging agents	Target: To complete an annual overview assessment of the DFA for damaging agents (pre-harvest and after free growing), targeting 100% over a 10-year period Variance: -20%
Percentage of the DFA (pre-free growing) assessed for damaging agents	Target: To assess 100% of the DFA for damaging agents (pre-free growing) over a 7-year period Variance: -10%
Non-recoverable volume loss due to stand damaging agents	Target: To manage non-recoverable volume loss due to stand damaging agents between >1500 m^3/yr and ≤4000 m^3/yr, applied as unplanned losses to the Timber Harvesting Land Base and calculated as a 10-year rolling average Variance: n/a

Were the Targets Met? Yes

Monitoring the health of the forest within the DFA plays an important role in maintaining the continuous flow of economic benefits. The timing of the damaging agent assessments will allow for adjustments to be made in the planning process, and for a greater understanding of the damaging agents that affect forest productivity.

The target for the annual overview assessment has been met. The entire TFL was flown in late November 2006 following a major wind event, plus annual road maintenance flights have been conducted each spring, including June and July 2009 when no noticeable stand damage was observed (i.e. losses due to blowdown, spruce beetle etc.).

Between April 1st 2009 and March 31st 2010, Canfor and BCTS assessed 2074.9 hectares for damaging agents on pre-free growing blocks in the DFA (see Table 17).

Table 17. Percentage of the DFA (Pre-Free Growing) Assessed for Damaging Agents

Year #	Reporting Period	Pre-Free Growing Area Assessed by Canfor (ha)	Pre-Free Growing Area Assessed by BCTS (ha)	As at March 31, 2010: Canfor's Pre-FG area + BCTS's Pre-FG area = 8704 ha + 809.2 ha = 9513.2ha	Percent of DFA (Pre-Free Growing) Assessed During Reporting Period
1	2006/07	6036	436.1		# not available
2	2007/08	3622	116.4		# not available
3	2008/09	3202	256.7		30.6
4	2009/10	1870	204.9		21.5
	TOTAL:	14,730 ha	1014.1 ha		**>51.6% assessed to date**

As part of the timber supply analysis in 2000 for TFL30 Management Plan 9, unsalvaged losses were calculated as 3640 m^3 per year, representing approximately 5% of the total amount of timber damaged. Annual overview flights and ground surveys indicate that since 2000, the mountain pine beetle has been the most significant damaging agent on the TFL, and is constrained to the stands in the Barney operating area. Over the past three reporting periods, efforts have been made to salvage mountain pine beetle-attacked stands in the Barney. As per the TFL30 2007/08 Annual Report, spatial analysis indicated that approximately 12,500 m3 of stands with a pine component of greater than 20% have been retained within inoperable areas or riparian reserves in the Barney. Due to the fact that these stands are either inoperable or contained within legislated reserves, they are not part

of the THLB. Therefore, the current status for non-recoverable volumes losses due to stand damaging agents remains at 3640 m3 per year, as per Management Plan 9.

Indicator 33 ACCIDENTAL INDUSTRIAL FIRES

Indicator Statement	Target and Variance
Number of area (hectares) damaged by accidental forestry-related industrial fires	Target: To manage the area damaged by accidental forestry-related industrial fires within the target of <10 ha per year Variance: +5 ha

Was the Target Met? Yes

This indicator applies to accidental industrial fires originating in the DFA. As fire can result in catastrophic losses to the timber supply, wildlife, and private property, a high value has been placed on reducing the impact of these fires in the DFA.

From April 1st 2009 to March 31st 2010, 0 hectares were damaged due to accidental forestry related industrial fires originating within Canfor and BCTS operations on the DFA.

Indicator 34 NON TIMBER BENEFITS REQUIREMENTS

Indicator Statement	Target and Variance
The percentage of forest operations consistent with the following non-timber benefits: visual quality, cultural heritage, and lakeshore management requirements in site plans	Target: To manage 100% of forest operations consistent with the following non-timber benefits: visual quality, cultural heritage, and lakeshore management requirements in site plans Variance: 0%

Was the Target Met? Yes

Visual Quality Objective requirements address the perceived beauty of certain areas as designated by the MoFR District Manager or as contained in higher level plans. A cultural heritage value is a unique or significant place or feature of social, cultural or spiritual importance. Lakeshore requirements address the valuable role waterfront plays in ecosystem diversity, recreation and aesthetics. Maintenance of non-timber requirements is an important aspect to sustainable forest management because it contributes to respecting the social and cultural needs of people.

During the reporting period, 100% of Canfor forest operations were consistent with visual quality, cultural heritage, and lakeshore management requirements in site plans. No blocks were located within a known scenic area and two blocks had a high potential for cultural heritage resource features and were harvested in compliance with the cultural heritage assessment recommendations. One of the blocks harvested within the reporting period had lakeshore management requirements and operations were consistent with the requirements in the operational plan.

BCTS did not conduct forest operations on the DFA during the reporting period.

Indicator 35 PUBLIC INPUT OPPORTUNITY AND RESPONSE TO PUBLIC CONCERNS

Indicator Statements	Targets and Variances
The number of opportunities given to the public and stakeholders to express forestry related concerns and be involved in our public planning processes	Target: To present opportunities to the public and stakeholders to express forestry related concerns and be involved in our public planning processes, via ≥3 types of media annually Variance: -1
The percentage of Creating Opportunities (Canfor) and Keeping in Touch (BCTS) communication strategy requirements met	Target: To meet 100% of the communication strategy requirements for Creating Opportunities (Canfor) and Keeping in Touch (BCTS) Variance: –5%

Were the Targets Met? Yes

As public involvement is a key element of CSA-SFM, it is important to provide meaningful and effective opportunities to incorporate public input and respond to public concerns. As public values change over time, it is important to be able to efficiently solicit public feedback and, where possible, incorporate this input into forest management and practices. Public plans include the forest stewardship plan, pest management plan, forest management plan, and the sustainable forest management plan.

The following key performance indicators will be applied to communication strategies:

- 100% of communications from resource users will be responded to within 30 days
- 100% of commitments made to resource users are delivered within the time frame specified
- 100% of the applicable public is sent notification of planning and development activities associated with TFL30 forest management activities.

Historically, Canfor and BCTS have used a total of four media types to provide public and stakeholders opportunities to express forestry related concerns and be involved in our planning processes. These include newspaper ads, notification letters, public meetings, and face-to-face meetings.

During the 2009/10 reporting period, 100% of Canfor's public commitments were met on the DFA. 95% (39/41) of the 'Creating Opportunities' communication strategies were met. Canfor received two communications relating to the DFA and responded within the appropriate time frame. One action item related to the DFA was assigned and this was also completed within the specified time frame.

For the 2009/10 reporting period, 100% of BCTS's public commitments were met on the DFA.

The number of opportunities provided to the public and to stakeholders within the reporting period is identified in Table 18.

Table 18. Public Input Opportunity from April 1st 2009 to March 31st 2010

Format of Opportunity	Number of Opportunities for Public and Stakeholders Input			
	Canfor	**BCTS**	**Joint SFMP**	**TOTAL**
FSP Original Ads				
FSP Amendment Ads	1			1
FSP Stakeholder Letters	1			1

PMP Original Ads				
PMP Stakeholder Letters	1	1		2
PMP Signage	1			1
Field Tours				
Harvest Notification Letters	1			1
PAG Meetings	n/a	n/a	1	1
Documented Phone Calls	1	1		2
Newspaper Ad (Open House)	n/a	n/a	1	1
Open House (Pine Centre Mall)	n/a	n/a	1	1
Documented Personal Meetings	1	1		2
TOTAL FOR DFA*	**10**	**3**	**3**	**16**

* This indicator tracks the number of different types of opportunities that the public has to provide input into the planning process, not the total number of opportunities.

Indicator 36 VIEWING OF ACCESS PLANS

Indicator Statement	Target and Variance
Annual public review of Canfor and BCTS TFL30 road access plans.	Target: To provide the public with an annual opportunity to review TFL30 road access plans, on or before October 1st of each year Variance: +1 month

Was the Target Met? Yes

Forestry roads provide industrial and public access to large portions of the DFA. Creating, maintaining, deactivating and closing these roads is an ongoing process that requires careful planning. Because many non-forestry users of these roads have an interest in their management, it is important to provide opportunities to view the Canfor and BCTS current access plans. The input received from such viewings can be used to plan future access management activities.

On October 16th 2009, Canfor and BCTS participated in a licensee display of forestry harvesting and road access plans at the Pine Center Mall in Prince George. Licensee representatives staffed the display from 9:00 a.m. to 9:00 p.m. The display also advertised to members of the general public that there are vacancies for several different sectors on the Public Advisory Group (PAG), and that the opportunity was available to attend a PAG meeting and potentially join the PAG.

Indicator 37 SURVEY OF NON-TIMBER USES AND LISTS OF NON-TIMBER FOREST PRODUCTS AND NON-TIMBER USES ON THE DFA

Indicator Statements	Targets and Variances
Public survey of non-timber uses within the DFA, including non-timber forest products	Target: To conduct a public survey of non-timber uses within the DFA at least every four years Variance: +1 year
Maintain lists of non-timber forest products and non-timber uses on the DFA	Target: To review and update lists of non-timber forest products and non-timber uses at least every four years Variance: +1 year

Were the Targets Met? Yes

As sustainable forest management pertains to the interaction of social, ecological and economic factors, forest managers must not only be cognizant of the range of different uses on the DFA, but also how these uses and values change over time. This indicator measure the number of different local uses and values on the DFA as well as the intensity for each value/use. As data is collected through public surveys, possible changes can be evaluated.

A public survey of non-timber forest products (NTFP) was conducted within the DFA as part of FIA project #2700004 during the 2007/08 reporting period. The project results were presented to the TFL30 PAG in January 2009; indicator refinement was discussed at both the January and March 2009 PAG meetings. As a quorum was not present at the March 2009 PAG meeting, this indicator was raised again at the June 2009 PAG meeting, and consensus was obtained to add "… including non-timber forest products" to the first indicator statement, as above, in order to capture NTFP uses in conjunction with the periodic public survey of non-timber uses. PAG consent was also obtained to change the second indicator's wording from "A list of quality and value of non-timber forest products from the DFA" to "Maintain lists of non-timber forest products and non-timber uses on the DFA". The purpose of this change is to reflect the fact that a significant sum of money and effort was expended to obtain very little feedback or response with regard to the value or quality of NTFPs; this is not a worthwhile or sustainable approach to gathering data.

Although a public survey of non-timber uses was initiated in 2005 and conducted in 2006/07, the results and methodology were not received until March 2010. A second public survey will be conducted in 2010/11, utilizing the same methodology as the first survey.

Indicator 38 LOCAL CONTRACT VALUE

Indicator Statement	Target and Variance
Percentage of money spent on forest operations and management in the DFA provided from the North Central Interior Suppliers/Contractors (applies to Canfor only)	Target: ≥90% of money spent on forest operations and management in the DFA on goods and services provided by the North Central Interior Suppliers/Contractors Variance: 0%

Was the Target Met? Yes

Forests not only provide a multitude of ecological benefits to the areas surrounding them, but they also provide many critical socio-economic benefits. In order to have sustainable socio-economic conditions for local communities associated with TFL 30, local forestry-related businesses should be able to benefit from the work that is required in the management of the DFA. Local suppliers and contractors are considered to be those based in the geographic area bounded by 100 Mile House (south), Ft. St. John (north), Valemount (east) and Terrace (west).

Querying Canfor's accounting data allows for the current status and tracking of the local contract value within TFL 30. As shown in Table 19, 100% of the dollars spent within the DFA during the 2009/10 reporting year was spent on local suppliers and contractors.

Table 19. Local Contract Value within TFL30

Calendar		Annual

Year	Current Status of Indicator	Target
2000	92.4%	> 90 %
2001	93.0%	
2002	95.2%	
2003	99.1%	
2004	98.6%	
2005	99.4%	
2006	100.0%	
2007	98.6%	
2008	95%	
2009/10	100%	

Indicator 39 SUPPLY OF TIMBER TO LOCAL PROCESSING FACILITIES

Indicator Statement	Target and Variance
Proportion of timber extracted from the DFA supplied to local processing facilities (applies to Canfor only)	Target: To supply ≥95% of timber extracted from the DFA to local processing facilities Variance: -5%

Was the Target Met? Yes

Sustainable forest management involves the balancing of ecological, social and economic values. Canfor can play a key role in the stability and sustainability of socio-economic factors by ensuring that a large proportion of timber volume is processed by local facilities (i.e. those located within the boundaries of the Prince George Timber Supply Area).

Each truckload of wood is scaled (weighed) at an approved MoFR scale site. The timber mark and scale-based information is recorded in Canfor's "Logs Production Module". A query of this Module for the period of April 1st 2009 to March 31st 2010 indicates that 97.4% of the timber harvested from TFL30 was delivered to local processing facilities. The remaining 2.6% was delivered to West Fraser plywood in Quesnel.

Indicator 40 MAIN ACCESS ROADS MAINTAINED

Indicator Statement	Target and Variance
Kilometers of main access roads maintained to a minimum standard in the spring	Target: To maintain ≥200 km of main access roads to a minimum standard in the spring Variance: n/a

Was the Target Met? Yes

Roads are a necessary component of forest management as they allow access to the forest resource and its recreation potential. This indicator provides a measure of the amount of main access roads maintained within the DFA, to allow for public access to the benefits of the forest resource. A balance

must be met between the value of access, the social costs or benefits, and the ecological costs or benefits in terms of impacts to other resource values such as wildlife.

The target of this measure is 200 km, 8.6 km of which is maintained by BCTS and the remainder by Canfor. The main roads within the DFA include: North Fraser, Church, Pass Lake, Seebach, Herrick, Olsson, Otter, Hayden, and Bend.

Road maintenance programs are currently tracked through each Licensee's internal data records. Canfor's process includes flying the roads in the spring to identify potential concerns; issuing hazard alerts for roads that are impassable until the problem is rectified; and implementing an annual road and bridge maintenance program.

For this reporting period, the objective has been met as a minimum of 200 km of main access roads were maintained to a minimum standard in the spring (wilderness level standard).

Indicator 41 STUMPAGE PAID TO GOVERNMENT

Indicator Statement	Target and Variance
The percent of stumpage paid on time to Government (applies to Canfor only)	Target: To pay 100% of stumpage on time to Government Variance: 0%

Was the Target Met? Yes

The payment of stumpage owing on the timber harvested within the DFA by Canfor is a quantifiable indicator of how the public is receiving a portion of the economic benefits derived from forests. In order to ensure continual sustainable socio-economic conditions for local DFA communities, all stumpage billings will be paid on time.

Each month, the provincial government invoices Canfor for stumpage. This invoice is directed to the accounting and payroll departments for immediate processing.

During the reporting period of April 1st 2009 to March 31st 2010, Canfor paid 100% of its stumpage to the Government on time.

Indicator 42 AVERAGE INCOME OF DFA WORKERS

Indicator Statement	Target and Variance
Average income of DFA forest sector workers compared to provincial average for forest sector workers.	Target: To monitor the average income of DFA forestry sector workers compared to provincial average for forest sector workers, targeting ≥100% every five years Variance: 0%

Was the Target Met? Yes

Forests provide a mix of benefits to society, including direct and indirect employment, wood products, goods and services, non-market values, tourism, guiding, trapping, and recreation. This indicator focuses on the economic and social benefits that are offered by the forest sector in the form of income.

There are two sources of data from which to report on this indicator: The socio-economic analysis from the Timber Supply Review for the PGTSA, and Statistics Canada census data.

The Statistics Canada 2006 census data on Income and Earnings was released in May 2008. Although the average income of a forest sector worker in the Prince George area was not reported, the provincial average income of an "occupation unique to forestry operations, mining, oil and gas extraction and fishing, excluding labourers" was reported as $59,600.

A Timber Supply Review (TSR4) is currently underway for the Prince George Timber Supply Area. The socio-economic analysis is a component of the Public Discussion Paper, released in January 2010. However, as updated income figures have not been included in the TSR4 documents to date, the most recent information continues to be those reported in the previous Prince George Timber Supply Review (2001) as $46,690 (based on 1996-1998 data).

The provincial average income of a forestry and logging sector worker from the Statistics Canada 2001 census was estimated at $42,925. The difference in average Prince George area income compared to Provincial average income is 108.7%.

Indicator 43 DONATION TO THE LOCAL COMMUNITY

Indicator Statement	**Target and Variance**
Number of donations to the local community (applies to Canfor only).	Target: To provide ≥6 donations to the local community Variance: 0%

Was the Target Met? Yes

This indicator documents how Canfor provides economic and social benefits to the public over and above wages, taxes and stumpage fees through donations and involvement in local community organizations. Types of support opportunities within the local community vary from providing personnel, equipment and/or facilities, to providing cash and product donations. This is an important component of a community's economic and social stability, but it is also difficult to quantify as support opportunities often go unrecorded.

In 2010, Canfor donated to many recipients within the local community, including the following:

- University of Northern British Columbia
- Prince George United Way
- St. Vincent de Paul Society
- School District #57
- Prince George Community Foundation
- Family YMCA of Prince George
- Yellowhead Rotary Club – Adventures in Forestry
- Council of Forest Industries – Natural Resources Management Camp

As shown above, Canfor donated to at least eight organizations within the local community during the reporting period.

Indicator 44 SAFE CERTIFICATION

Indicator Statements	Targets and Variances
(A) Canfor and BCTS will maintain certification under the SAFE Certification Program	Target: 100% SAFE Certified Variance: 0%
(B) Percentage of Canfor Contractors certified under the SAFE Certification Program	Target: 2008 – 60%; 2009 – 80%; 2010 – 90% Variance: -10%
(C) Percentage of Canfor Contractors registered under the SAFE Certification Program	Target: 100% Variance: 0%
(D) Percentage of BCTS Contractors and Timber Sale Licensees issued by BCTS registered under the SAFE Certification Program	Target: 100% Variance: 0%

Were the Targets Met? Yes

This indicator was introduced during the 2007/08 reporting year, when the safety-related indicator was changed from 'Loss Time Accidents' to 'SAFE Certification'. For the 2009/10 reporting period:

Table 20. Progress Towards SAFE Certification Targets for Canfor and BCTS Contractors

	(A) Maintain SAFE Certification		(B) % of Contractors SAFE Certified		(C) % of Contractors SAFE Registered		(D) % of Contractors and TS Licensees SAFE Registered
Canfor	2008	Y	2008	64	2008	97	N/A
	2009	Y	2009	82	2009	100	N/A
	2010	Y	2010	98	2010	100	N/A
BCTS	Y	Y	N/A		N/A		100

Canfor has maintained SAFE Certification since November 2006 and BCTS since September 2008.

Indicator 45 ABORIGINAL AND TREATY RIGHTS

Indicator Statement	Target and Variance
No unauthorized forestry activities within legally recognized (Provincial and Federal) treaty areas and Agreement-in-Principle areas	Target: 100% recognition and respect of Aboriginal and treaty rights Variance: 0%

Was the Target Met? Yes

Four First Nation bands have asserted Aboriginal interests in the TFL30: the McLeod Lake Indian Band (Tsekani) the Lheidli T'enneh First Nation, the Nazko First Nation, and the West Moberly First Nation. The McLeod Lake Band signed a Treaty 8 settlement agreement with the Federal and Provincial governments in 2000. None of the Treaty 8 settlement lands are located within TFL30. The Lheidli T'enneh signed an Agreement-in-Principle in July 2003 and voted to reject a final agreement in March 2007. In the meantime, the Agreement-in-Principle (signed in July 2003) proposed land packages are being used to run this query.

As no treaty or Agreement-in-Principles areas have been identified within the DFA, Canfor and BCTS are able to report 100% compliance with no unauthorized forestry activities during the reporting period within legally recognized (Provincial and Federal) treaty areas and Agreement-in-Principle areas.

Indicator 46 FSP REFERRAL AND PMP REFERRAL TO FIRST NATIONS

Indicator Statements	Targets and Variances
All Forest Stewardship Plan (FSP) and associated major amendments are referred to affected Aboriginal peoples	Target: To refer 100% of Forest Stewardship Plan (FSP) and associated major amendments to affected Aboriginal peoples Variance: 0%
Pest Management Plans (PMP) and associated major amendments are referred to affected Aboriginal bands	Target: To refer 100% of Pest Management Plans (PMP) and associated major amendments to affected Aboriginal bands Variance: 0%

Were the Targets Met? Yes

This indicator is designed to evaluate the success in providing opportunities to Aboriginal peoples to be involved in forest management planning processes. Specifically, all Forest Stewardship Plans and associated major amendments are to be referred to affected Aboriginal groups for their input. As pesticides may have to be used within the DFA to meet certain forestry objectives, Pest Management Plans will be prepared to outline their use. This use may be applied to areas of interest to various First Nations peoples within the DFA, necessitating referral. Operational plans (location and type of pesticide) may be changed as a result of referral.

During the 2009/10 reporting period, as no FSP amendments requiring approval were completed by either Canfor or BCTS, no referral packages were sent. This indicator is therefore not applicable for the 2009/10 reporting period.

Canfor's 2005 PMP was approved for a term from 2006-2011. In January 2005, Canfor referred the 2005 PMP to First Nations bands. In addition, Canfor placed an ad in the local paper providing the public (including First Nations) an opportunity to review and provide comment. No major amendments were prepared during the reporting period of April 1st 2009 to March 31st 2010.

In February 2006, BCTS referred its 2006 PMP to First Nations bands, and placed an ad in the local paper to provide the public and First Nations the opportunity to review and provide comment. No PMP amendments were prepared during the reporting period.

Indicator 47 HERITAGE CONSERVATION ACT

Indicator Statements	Targets and Variances
Percent of forest operations consistent with the Heritage Conservation Act	Target: To conduct 100% of forest operations consistent with the Heritage Conservation Act Variance: 0%

Was the Target Met? Yes

Forest operations are relatively easily adapted to protect known features under the Heritage Conservation Act. Archaeological Predictive Models are used to assess the potential for archaeological resources within proposed harvest areas or road access corridors. Where activities are proposed within zones of high archaeological potential, trained archaeologists conduct site-level Archaeological Impact Assessments (AIA) to identify, assess and record any archaeological resources that may be present.

Specific requirements to conserve cultural resources are prescribed in site plans. These strategies may include alteration if an alteration permit is obtained from the Archaeology Branch (BC Ministry of Tourism, Sport and the Arts). Harvest and subsequent silviculture inspections ensure that strategies are implemented as stated in the site plan.

AIA's were required for two of the four blocks harvested on the DFA by Canfor between April 1st 2009 and March 31st 2010. Cultural heritage resources were identified on one block during the AIA; the harvest boundary was field-marked in a location excluding these resources. As BCTS did not harvest any blocks during this reporting period, 100% of Canfor and BCTS forest operations were consistent with the Heritage Conservation Act.

Indicator 48 ABORIGINAL PARTICIPATION IN PLANNING PROCESS

Indicator Statement	Target and Variance
Documented opportunities for Aboriginal peoples' participation in developing public plans	Target: To conduct ≥1 meaningful face-to-face meeting per Aboriginal peoples per year Variance: 0

Was the Target Met? No

What Happened? A face-to-face meeting was not conducted with one of the four relevant First Nations groups.

Root Cause: As there were no major public plan developments during the reporting period, it was not a priority for that First Nation's representatives to meet with Canfor or BCTS staff.

Action Plan: A variance to the target was proposed at the January 14th 2010 TFL30 PAG meeting, as it is currently out of the licensees' realm of control. The PAG indicated comfort with leaving the target and variance "as is", particularly as the indicator will be revisited when the SFMP is transitioned to the CSA Z809-08 standard.

There have not been any major issues in the DFA within this reporting period as the Forest Stewardship Plan was approved in February 2006 and the Government has approved an extension to the current Management Plan (MP9). All four bands, McLeod Lake Indian Band, Lheidli T'enneh First Nation, Nazko First Nation and West Moberly First Nation, have been invited to send representatives to the Public Advisory Group (PAG) meetings and are routinely invited to attend the PAG meetings.

As stated in the 2008/09 Annual Report, Canfor continues to provide a developmental/training position for a member of the Lheidli T'enneh First Nation's Natural Resource staff. Canfor representatives met numerous times throughout the year with the Lheidli T'enneh's forestry representative and aspects of SFM have been discussed at these meetings.

Canfor representatives met with representatives and members of the McLeod Lake Indian Band on July 2nd 2009 to discuss various aspects of Canfor's forest management activities and the planning process.

Canfor representatives from the Quesnel and Prince George operations met with the Nazko First Nation in June 4th 2009 to discuss forestry herbicide use, Pest Management Plans, and Notification of Intent to Treat.

Although representatives from Canfor's Chetwynd and Fort St. John operations met with the West Moberly First Nation at various points throughout 2009 to discuss operational plans, there were no TFL30-DFA-related face-to-face meetings within the reporting period.

The lack of face-to-face meetings with these two groups is due in large part to the fact that the low activity level on the TFL resulted in a year in which there weren't changes to forest management operational plans. As many First Nations face significant resourcing constraints, it is essential that face-to-face meetings occur when there are meaningful items to discuss.

Indicator 49 ABORIGINAL ISSUES EVALUATED

Indicator Statements	Targets and Variances
Percentage of issues raised by Aboriginal peoples evaluated by Canfor and BCTS	Target: To evaluate 100% of issues raised by Aboriginal peoples evaluated by Canfor and BCTS Variance: -10%
The percentage of issues raised by Aboriginal Chief & Council or their representative developed into mutually agreed-upon strategies	Target: to develop mutually agreed-upon strategies for 100% of the issues raised by Aboriginal Chief & Council or their representative Variance: -50%

Were the Targets Met? Yes

Incorporating management strategies into the planning process in order to resolve issues raised by Aboriginal leaders is a key aspect of sustainable forest management. This indicator contributes to respecting the social, cultural heritage and spiritual needs of people who traditionally and currently use the DFA for the maintenance of traditional lifestyle aspects.

During the 2009/10 reporting period, no issues were raised by any Aboriginal Chief and Council or their representatives regarding forest management on the TFL30 DFA.

Representatives from Canfor and the Nazko First Nation met in early June 2009 to review forestry herbicide use, the Pest Management Plan, and the 2009 Notification of Intent to Treat. Although the general discussion was applicable to the TFL, none of the block-specific discussions were DFA-related.

Indicator 50 ABORIGINAL STRATEGY INCORPORATION

Indicator Statements	Targets and Variances

Incorporation of mutually agreed-upon strategies to address Aboriginal peoples' values, knowledge, and uses in public plans for the DFA	Target: To incorporate 100% (annually) of mutually agreed-upon strategies to address Aboriginal peoples' values, knowledge, and uses in public plans for the DFA Variance: 0%
The percentage of forest operations consistent with mutually agreed-upon strategies	Target: To conduct 100% of forest operations consistently with mutually agreed-upon strategies Variance: 0%

Were the Targets Met? Yes

These indicators report on the incorporation and implementation of the strategies that were developed in response to issues raised by Aboriginal peoples. As these strategies are implemented, the tracking of forest activity compliance with the strategies will help to determine whether concerns are being addressed appropriately.

In 2006, the McLeod Lake Indian Band proposed a project to locate, geo-reference and develop management strategies for cultural importance trails in the area. Since that time, Canfor has repeated expressions of support for this project to the Band and is awaiting more explicit guidance and involvement from the proponent.

As no mutually agreed-upon strategies have been developed for application on the DFA, the percentage of forest operations consistent with such strategies cannot be reported. However, Canfor continues to work on strengthening communications and relationships with the First Nations groups who have interests in the DFA (refer to Indicator 49 for details).

Indicator 51 PAG FOLLOW UP SURVEY

Indicator Statements	Targets and Variances
Percentage of people leaving the PAG process receiving a follow-up interview survey	Target: To ensure 100% of people leaving the PAG process receive a follow-up interview survey. Variance: 0%

Was the Target Met? Yes

Public participation in the SFM planning process is essential to understanding and respecting local values and concerns. A follow -up interview in the form of a survey provides the public participants with an opportunity to express their satisfaction with the entire process. The information collected from these surveys can be used as part of the SFM continuous improvement process.

The PAG Facilitator oversees the follow up survey for those members leaving the PAG. Survey questions are designed to assess satisfaction with the entire PAG experience, suggestions for improvement and concerns with the SFMP process. The results of this survey are reported to the PAG and a course of action to address concerns is determined.

No PAG members have left the process during the 2009-10 reporting period. One PAG member left the public advisory group process during the reporting period (April 1st 2009 to March 31st 2010), due to personal relocation. After reviewing the indicator and the reason for the PAG member leaving the public advisory group process, it was determined by the licensee team that the facilitator was not

required to provides a follow up survey, as the reason for leaving the process was due to retirement and relocation, not dissatisfaction with the process.

Indicator 52 NUMBER OF PUBLIC ADVISORY GROUP MEETINGS

Indicator Statements	Targets and Variances
Number of times Public Advisory Group (PAG) Terms of Reference reviewed	Target: To review the PAG Terms of Reference ≥1 time per year Variance: 0
The number of Public Advisory Group meetings per year	Target: to conduct ≥1 PAG meeting annually Variance: n/a

Were the Targets Met? Yes

The TFL30 PAG is made up of a diverse set of representatives with various defined interests, values or specific uses of the forest resource within the DFA. The PAG provided valuable input into the initial development of values, indicators, and objectives for the CSA SFM process, and will continue to provide guidance, input and evaluation of this process. This indicator provides information regarding how often the PAG will meet on an annual basis.

The PAG reviewed the terms of reference in January 2010, and met twice during the reporting period: June 16th 2009 and January 14, 2010.

Indicator 53 PUBLIC SECTOR PARTICIPATION IN THE PAG

Indicator Statement	Target and Variance
Percentage of the public sectors (as defined in the Terms of Reference) invited to participate in the Public Advisory Group (PAG) process	Target: To invite 100% of the public sectors (as defined in the Terms of Reference) to participate in the Public Advisory Group (PAG) process Variance: 0%

Was the Target Met? Yes

An important component of the PAG is the representation from the various public sectors as defined in the Terms of Reference (ToR). Their involvement in the PAG process is crucial for the success of the SFMP as they represent a broad range of commercial and non-commercial interests within the DFA. Their participation will enhance the co-operation between the forest industry and other parties interested in the management of public lands in the DFA to meet the social, economic and ecological goals of sustainable forest management.

The process for inviting public sector representatives to participate in the PAG is defined in the PAG ToR. Within the reporting period, representatives from 100% of the 12 public sectors described in the ToR were invited to participate in the PAG, via communications from the PAG Facilitator as well as through canvassing at the October 2009 open house at Pine Centre Mall.

Indicator 54 PAG AND INTERESTED PARTIES SATISFACTION

Indicator Statements	Targets and Variances
A. PAG overall satisfaction score with the meetings.	Target: To achieve a score of 5 annually Variance: –1
B. PAG overall satisfaction score with the public participation process.	Target: To achieve a score of 5 annually Variance: -0.75
C. Percentage of PAG satisfaction with the amount and timing of information presented for decision-making.	Target: To achieve 100% PAG satisfaction with the amount and timing of information presented for decision-making Variance: -20%
D. Percentage of interested parties satisfied with the amount and timing of information presented for decision-making.	Target: To achieve 100% interested parties' satisfaction with the amount and timing of information presented for decision-making, every 3 years Variance: -40%

Were the Targets Met?

A. No
B. Yes
C. Yes
D. N/A

This indicator is intended to measure and report the level of satisfaction the PAG has with meetings and the overall participation process, and the level of satisfaction the PAG and interested parties have with the amount and timing of information presented for informed decision-making input into the SFM plan and other public plans. While it is hoped that there will be high satisfaction, it is also acknowledged that as with any group of diverse backgrounds and opinions, it is difficult to achieve unanimous satisfaction in every regard. However, if the SFM Plan is to succeed, the people who are involved in its evolution must have a certain level of satisfaction with the information provided to direct that development.

Table 21. TFL30 PAG and Interested Parties Satisfaction, 2007-2010

Indicator & Target	2007/08	2008/09	2009/10
PAG overall satisfaction score with the meetings (annual target of 5, variance of –1)	4.6	4.3	3.9
PAG overall satisfaction score with the public participation process (annual target of 5, variance of –0.75)	4.7	4.3	4.6
Percentage of PAG satisfaction with the amount and timing of information presented for decision-making (100%, variance of –20%)	4.4	88%	88%
Percentage of interested parties satisfied with the amount and timing of information presented for decision-making (100% every 3 years, variance of –40%)	88%	N/A	N/A

A meeting evaluation survey was provided to the PAG at both of the meetings in 2009/10 in order to determine the levels of PAG satisfaction. The average PAG satisfaction score was 3.9 for the

meetings, 4.6 for the public participation process, and 88% for the amount and timing of information presented for decision-making.

A review of the individual survey results regarding Part A of this indicator show that the majority of the lower scores relate to Question 2 on the PAG Satisfaction Questionnaire. This question specifically addresses satisfaction with progress on the Continuous Improvement Matrix; see Indicator 55 below for more information.

No information is available regarding the satisfaction of interested parties with the amount and timing of information presented for informed input into public plans, as no public plans were referred during the reporting period. Canfor and BCTS will consider the development of a survey of interested parties, to correspond with public input opportunities relating to CSA standard Z809-08.

Indicator 55 CONTINUOUS IMPROVEMENT MATRIX

Indicator Statements	**Targets and Variances**
Review ranking and update status of items on the Continuous Improvement Matrix.	Target: To annually review the ranking and update the status of 100% of items on the Continuous Improvement Matrix Variance: 0%
PAG satisfaction score for progress on the Continuous Improvement Matrix.	Target: To achieve a score of 5 Variance: -1
Number of items incorporated into the SFM Plan from the Continuous Improvement Matrix.	Target: On an annual basis, to incorporate into the SFM Plan ≥2 items from the Continuous Improvement Matrix Variance: -1

Were the Targets Met? No

What Happened? The CI Matrix was not reviewed at either of the two 2009/10 PAG meetings; a score of 3.4 was recorded for PAG satisfaction with CI Matrix progress; and no items from the Continuous Improvement Matrix were incorporated into the SFMP during the reporting period

Root Cause: The Continuous Improvement Matrix items that currently have the potential to be incorporated into the SFM Plan are either contingent upon the completion of other processes (i.e. analysis for Management Plan 10) or are dependent upon ongoing research (i.e. riparian species monitoring, and a species accounting strategy).

Action Plan: 1) Incorporate a review of the Continuous Improvement Matrix into an agenda for the 2010/11 reporting period. 2) Evaluate the items on the Matrix during indicator discussions and revisions in 2010/11, while proceeding through the transition from the Z809-02 to the Z809-08 standard.

The TFL30 PAG and interested parties provide guidance, input and evaluation during development of the SFMP. The Terms of Reference provide for the discussion of relevant issues PAG meetings. Issues that cannot easily be developed into indicators or that require more information are added to the Continuous Improvement Matrix.

The Continuous Improvement Matrix (Appendix A) is used to capture issues outside the scope of the PAG process but can contribute to continuous improvement of sustainable forest management. Canfor and BCTS have developed a work plan for ranking, updating, and incorporating items into indicators. During the reporting period, a Priority Action Plan was prepared by the licensee representatives to address the priorities on the Matrix, and the Matrix itself was updated at the March 2009 PAG meeting.

The PAG satisfaction score for progress on the Matrix was 3.4 for this year, with no items from the Matrix incorporated into the SFM Plan. The items that have the potential to be incorporated into the SFM Plan are either contingent upon the completion of other processes (i.e. analysis for Management Plan 10) or are dependent upon ongoing research (i.e. riparian species monitoring, and a species accounting strategy). As noted in the 2008/09 Annual Report, it was anticipated that a minimum of one item would be incorporated in 2009/10 as a result of progress relating to the Biodiversity Conservation Strategy. However, progress on the Strategy was delayed due to other licensee priorities.

Indicator 56 ALDER CONVERSION

Indicator Statements	Target and Variance
The percentage of existing alder swale areas converted to something else.	Target: On an annual basis, to convert of 0% of existing alder swales to something else Variance: +1%

Was the Target Met? Yes

During the reporting period of April 1st 2009 to March 31st 2010, harvesting, road construction, and planting activities were conducted on 1829.2 hectares within TFL30. 0 hectares of existing alder swales were impacted by these activities.

Harvesting = 439.3
Road = 16.9
Planting = 1373.0

The purpose of this matrix is to capture issues presented by PAG members that can contribute to the continuous improvement of sustainable forest management but are either outside the scope of the PAG process or cannot be addressed by Canfor at the present time. These issues are to be reviewed at annual PAG meetings for further discussion and prioritization.

No.	Performance Matrix Ref.	Description of Issue	Suggested Strategies	Suggested Dates
1.	ToR G.1.a	Attempt to find members and alternates for the following sectors: Non-Timber Forest Products, Hunting/Fishing – Commercial, Timber Sales Users, Union/Labour	Phone survey inactive members. PAG, Canfor, & BCTS to approach people & community associations or email Dwight and ask if they would like to come a PAG orientation meeting. Public sessions / awareness of the process (ie. LRMP, UNBC, booth at the mall …) Efforts made to attract interest in PAG at Pine Centre open house in Fall 2008.	Ongoing
2.	1.4a	Look at including antique forests to 1.4.a. Definition needed. (Consult with Trevor Goward, Dave Radies, and Craig DeLong)	Continue process until indicator is developed. May look at using a different term for antique.	TSR for MP 10
3.	1.1	Canfor to add goal to the following indicator and develop further: The percentage area of each distinct habitat types in the non-harvesting landbase; Target: Based on ecosystem representation analysis.	Gather additional information to better understand the non-harvesting land base and to re-evaluate the suitability of the thresholds.	TSR for MP 10
4.	1.2d	Report out on the research that Canfor is supporting on riparian management.	Long-term interest in different riparian strategies in site plans.	March 31, 2010
5.	2.2	Canfor to develop an indicator regarding a management regime based on natural disturbance.	Step one: Review research on natural ranges of variability for appropriate biological indicators and stand succession for similar ecosystems and provide summary to PAG. Need to see where we're heading with the Biodiversity Conservation Strategy and the new standard	March 31,2010
6.	5.1	Canfor to report out by species on the volume of merchantable tree species that are currently not harvested and assess their potential economic benefit.	Provide inventory, list, and report of all of tree species and provide map of leading deciduous, non-obligatory tree species on DFA – **LOW PRIORITY**	September 2009, with status update including species list by May 2010
7.	3.1A.i	Commit to working with researchers to develop more direct measurements of soil productivity and bring back to PAG for discussion.	Discuss topic with researchers and report back to the PAG.	March 31, 2010
8.	3.2	Develop an indicator addressing stream, non-classified drainage (NCD), and sub-surface water flow diversion.	Discuss with researchers and review subsurface /recharge areas within the DFA and report back to PAG.	March 31, 2010
9.	3.2	Develop an indicator addressing stream drainage patterns.	Review road construction strategies related to stream drainage patterns within the DFA and report back to PAG.	March 31, 2010
10.	2.0	Identify and document the rate of natural succession without interference by humans.	Review research and data sources on natural forest succession on similar ecosystems and provide summary to PAG.	March 31, 2010
11.	1.1	Ranking old forest quality attributes.	Investigate and define quality old forest for other forest types in addition to cedar/hemlock.	March 2012