

UPDATE Forest Certification



Fort St. John Pilot Project

March 2006

Background

The Fort St. John Pilot Project (FSJPP) area encompasses the Fort St. John Timber Supply Area (TSA) in the Peace region of northeast BC. The combined assessment on the FSJPP area applies to a defined forest area (DFA) of 4,152,048 hectares with an allowable annual harvest of 2,062,805 m³. As part of the commitment to sustainable forest management and forest certification made by the FSJPP participants, an audit team from KPMG Performance Registrar Inc. completed the following assessments of the FSJPP in July 2005:

- A periodic assessment of the FSJPP DFA to the Canadian Standards Association's standard for Sustainable Forest Management (CSA-SFM); and
- Field assessments of Canfor's operations in the Fort St. John TSA as part of a corporate-wide re-registration assessment to the ISO 14001 standard for Environmental Management Systems (EMS).

The audit found that the Sustainable Forest Management System (SFM) in use on the FSJPP continues to meet the CSA-SFM standard. In addition, Canfor's EMS continues to be effectively implemented and meet the requirements of the ISO 14001 standard. CSA-SFM registration demonstrates a strong commitment to sustainable forest management, and is a significant achievement for the FSJPP participants.

The Audit

- **Background** – The FSJPP was implemented across the Fort St. John TSA in 2001 as a pilot project for an improved regulatory framework for forest practices. The main components of the project include regulatory flexibility to facilitate adaptive approaches to forest management, landscape level planning through an SFM plan, ongoing public involvement through a Public Advisory Group (PAG) and the adoption and implementation of certification systems as surrogates for the existing administrative process.
- The FSJPP participants include BC Timber Sales, Cameron River Logging Ltd., Canadian Forest Products Ltd., Dunne-Za Ventures LP, Louisiana-Pacific Canada Ltd. and Tembec Inc. However, all field operations are conducted by Canfor and BC Timber Sales. All of the participants have consented in writing to take part in the pilot project and be subject to the terms and conditions of the FSJPP Regulation.
- The CSA-SFM and ISO 14001 standards require regular audits by the registrar to assess ongoing conformance with the standards and the implementation of action plans related to previous assessments. In addition, the *Fort St. John Pilot Project Regulation* requires periodic independent audits of the Participants' compliance with the regulation.





- **Audit Team** – The audit was conducted by a two person audit team consisting of one BC registered professional forester and one BC registered professional biologist. Both auditors are accredited SFM/EMS auditors.
- **Field Audit** – The team conducted interviews with Participant staff, contractors and stakeholders and examined EMS, CSA and compliance records, monitoring information and public involvement records. The team also conducted a field assessment of 28 sites to assess operational planning, harvesting, silviculture and road construction, maintenance and deactivation.

Noteworthy Comments

- Our assessment indicated that the SFM and EMS systems continue to be effectively implemented in the pilot project area. In addition, the participants have effectively addressed all nonconformities identified during previous assessments.
- Since the last (2004) assessment 100% of field operations now occur under registered environmental management systems as BC Timber Sales operations successfully registered their EMS under the ISO 14001 standard in early 2005.
- The audit uncovered only limited field-related issues indicating that the project participants are doing a good job of ensuring that operations are being carried out in a manner which is consistent with site-level plans.
- Good progress is being made on the implementation of SFM indicators.
- The Responsibility Action Matrix has been enhanced to better reflect the required actions to be taken with clearly assigned responsibilities for measuring SFM indicators.
- The pilot project’s public website effectively communicates the key elements of the FSJPP and provides links to critical public documents (i.e., FSJPP Regulation, SFM plan, SFM matrix, external auditor’s public report, SFM annual report, PAG Terms of Reference and meeting minutes, Forest Operations Schedule, etc.).
- PAG members interviewed were generally very positive about the established SFM public consultation process.
- The Forest Operations Schedule is effectively designed to promote a high degree of coordination among participants in the planning and implementation of their forest operations across the DFA.
- There was marked improvement in operator awareness of site-specific issues and emergency preparedness and response.
- Species at risk guidelines were found to have been effectively implemented.

Key Areas of Nonconformity

- A number of Canfor EMS forms and documents have not been updated to reflect the newly revised (January 2005) list of significant environmental aspects.

CSA-SFM Periodic Assessment and ISO 14001 Re-certification Assessment

Major nonconformities	0
Minor nonconformities	3
Opportunities for improvement	8

Types of audit findings

Major nonconformities:

Are pervasive or critical to the achievement of the SFM Objectives.

Major nonconformities must be addressed immediately or certification cannot be achieved / maintained.

Minor nonconformities:

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All nonconformities require the development of a corrective action plan within 30 days of the audit, which must be fully implemented by the operation within 3 months.

Opportunities for Improvement:

Are not nonconformities but are comments on specific areas of the SFM System where improvements can be made.



- SFM plan Indicators 41 and 46 are designed to address interactions with range tenure holders, trappers, guides and other known non-timber commercial interests through the development of mutually agreed upon action plans. However, the scope of this process was determined to be too narrow based on the progress to date in developing action plans.
- Site level plans for road deactivation in the Apsassin Creek area were found to be out of compliance with site level planning requirements under the FSJPP Regulation in the following two areas:
 - The plans had not been signed by the participant (although they were signed by a contractor).
 - For areas where there is more than a low likelihood of landslides, road deactivation site level plans had not been prepared by a qualified registered professional (although it should be noted that plans for this area were based on a terrain stability field assessment prepared by a qualified registered professional).

Appropriate action plans were received and approved by KPMG to address each of the identified areas of nonconformity.

Key Opportunities for Improvement

- A formal mixedwood reforestation strategy with related targets has yet to be completed and reflected in the SFM plan (however operations in mixedwood stands remain limited to date).
- An opportunity exists to improve the overall effectiveness and coverage of the SFM internal audit process by having a single annual audit of all pilot project participants rather than having separate audits for each participant.
- Although public input has been received through the Forest Operations Schedule referral process, attendance has been declining at the public advisory group meetings. There is a clear opportunity to reassess the PAG membership and process to identify ways to effectively improve the level of input generated through the process.
- While the participants have maintained a public input process in accordance with CSA-SFM requirements, isolated weaknesses were noted in communication as follows:
 - Alternate members have not been consistently notified of meetings.
 - Accessibility of PAG meetings to the general public is limited as meetings are no longer advertised.
- Isolated lapses in the implementation of operational controls were noted during field inspections, as follows:
 - An S3 stream on one harvest block was observed to be much closer to the boundary than indicated on the map (although a suitable riparian zone was maintained along the stream).
 - Two machines on an active harvest block had incomplete spill kits.



- A review of inspection reports for one road deactivation project in which the work had not been done to specifications revealed a weakness in the recording of nonconformities and inspections within the roads program (i.e., the issue was not treated as a nonconformity or entered into the Incident Tracking System).
- Overall, the Forest Operations Schedule appropriately identifies the links between short term operational planning and the SFM plan as required by the CSA-SFM standard. However, the FOS does not explicitly address SFM plan Indicator 1 *Percent distribution of forest type (deciduous, deciduous mixedwood, conifer mixedwood, conifer) greater than 20 years old by landscape unit* and it is not possible to calculate conformance as queued stands in the FOS are only listed as conifer or deciduous with mixedwood stands not being clearly identified.

Pilot Project Compliance Audit

The FSJPP Regulation requires an audit of compliance with the regulation every two years. An assessment of compliance with the regulation was completed in conjunction with the CSA-SFM and ISO 14001 work in 2005 and used field data from both our 2005 and 2004 site visits. The full assessment report can be viewed on the FSJPP website (www.fsjpilotproject.com). Nothing came to our attention during the assessment that would cause us to believe that the participants have not:

- prepared annual reports in respect of the period April 1, 2003 to March 31, 2005 that accord in all material respects with the requirements of the *Fort St. John Pilot Project Regulation*;
- disclosed in their annual reports, as required, instances of non-compliance and any failure to achieve SFM targets; and
- complied in all other material respects with the requirements of the *Fort St. John Pilot Project Regulation*.

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