



Burns Lake Community Forest Ltd.

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VIA EMAIL

April 4th, 2017

Ministry of Forests, Lands and Natural Resource Operations
186 Yellowhead Hwy- Burns Lake BC V0J-1E0

Attention: Albert Nussbaum

Regarding: Burns Lake Community Forest AAC Determination

The Burns Lake Community Forest (BLCF) has appreciated the several opportunities to discuss with you the ongoing operational challenges associated with implementing the April 2016 AAC determination. As we have discussed, the combined effect of the unique 'restricted areas', 'high risk stands' and live timber partition aspects of the AAC determination precludes operations on a significant part of the timber harvesting land base. To better understand the operational timber harvesting opportunity that results from the AAC determination, the BLCF commissioned the Forsite report, *Mountain Pine Beetle Salvage Chance Planning - Harvest Sequence Planning*, which was discussed with you and other Ministry staff on December 15, 2016. As you will recall, the report showed that rigid implementation of the mentioned aspects of the AAC determination would severely limit the operations of the BLCF to an extent not contemplated in the approved Management Plan and its associated AAC request. At the same time, issues were raised about differences between the new VRI applicable to the BLCF and the former inventory.

The April 2016 AAC determination includes the provision that, *"If additional significant new information is made available to me, or major changes occur in the management assumptions upon which I have predicated this decision, then I am prepared to revisit this determination."* Since April 2016 several new sources of information have become available:

- The Ministry provided the new VRI to the BLCF in September 2016 which suggested that the 2014 VRI, which was used in the preparation of the Management Plan and AAC proposal, may have over-estimated the amount of available timber on the landbase. This resulted in higher expectations of volume available from the BLCF perspective and concerns on your part about the sustainability of the mid-term timber supply, which in turn motivated the unique 'restricted areas', 'high risk stands' and live timber partition aspects of the AAC determination.

- *The Mountain Pine Beetle Salvage Chance Planning - Harvest Sequence Planning* report mentioned earlier, which used the new VRI, describes the on-the-ground operational challenges that result from the AAC determination.
- The BLCF has completed a new timber supply analysis based on updated inventory data, updated and refined assumptions, and considerable effort to ensure relevant issues have been addressed. As required by the Community Forest Agreement, we are pursuing certification, and FSC certification has been chosen. The new timber supply analysis considers the impacts of the incremental management practices associated with FSC.

Following our conversation at the ABCFP AGM, and a follow up meeting with Jevan Hanchard, I committed to you both to provide a copy of the preliminary analysis report, attached. This analysis, which is based upon the new 2016 VRI has an Updated Base Case which includes a number of improvements in data and modelling assumptions compared to the 2015 TSR work. It also explores alternative harvest flows and the impacts of partial cutting and implementing FSC certification. We believe the 'FSC + Partial Cutting scenario' is the most logical base case to reflect BLCF's current and intended practices. While both FSC and partial cutting are not current practice for BLCF, the report suggests that their inclusion does not pose any risk to future sustainability.

The analysis has shown that a green wood harvest level of 80,000 m³/year is sustainable under FSC (will only rise in the future) and is not impacted by harvest flow choices associated with dead wood salvage. The analysis also shows an upper end potential harvest level of 175,000 m³/year when dead wood is included, which will require the implementation of partial harvesting systems. This analysis provides us with a better understanding and significantly more confidence in the future timber supply for the Community Forest.


As we have spoken about, the BLCF urgently requires the flexibility to create a solid, two-year operational plan. Our hope is that, in consideration of the new information provided, you will revisit the existing AAC determination with the goal to provide new administrative and implementation guidance for the District Manager to consider as he exercises his discretion to approve cutting permits. We believe the most simple, yet most effective, way to achieve this is to re-define the 'restricted areas' and 'high risk stands' aspects of the AAC determination to solve urgent, short term operational issues. As it is critical for me that I understand your perspective and ours, I would appreciate an opportunity to be heard and to answer any questions you may have before any formal decision is made on this issue. In that way I believe we can reduce the risk of additional disruptions to our operations. As a market logger, we require flexibility to meet local mill demands and take advantage of market opportunities. If you have questions about the specifics of the attached analysis, please feel free to contact Cam Brown at Forsite, our project lead on the mitigation project. Growth and yield questions should be addressed by Jim Thrower. If we can resolve this issue quickly, I am able to retain layout contractor capacity to create a two year plan by June of this year.

Beyond finding a solution to the urgent, short-term concerns discussed above, we are continuing our MPB Mitigation Program, with an update to our Board of Directors later in April. The proceedings of our efforts to explore flexibility within the current determination, will dictate the time frame of a new

(amended) Management Plan, with a request for a new AAC. Our request at that time will be based upon the results of our MPB Mitigation Program, and will incorporate the attached analysis along with other work. It is our continuing belief that timber management strategies and AAC should be structured such that green wood is sustainably managed while leaving flexibility/opportunity for the salvage of dead volume wherever economics make sense. Pursuant to that principle, at worst, economics may limit harvesting to only the sustainable green wood harvest, but at best, a more optimum AAC is realized by capturing more dead wood while limiting the bycatch of green volume. Managing a clearly sustainable green wood harvest, while setting the conditions to pursue dead wood whenever possible, creates flexibility for the Community Forest to operate in a wide range of market conditions, and the assurance of sustainability to the Ministry, First Nations, and public.

I look forward to discussing these matters further as soon as possible.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank Varga", with a long horizontal flourish extending to the right.

Frank Varga, RPF

General Manager

Burns Lake Community Forest