NAKUSP AND AREA COMMUNITY FOREST MANAGEMENT PLAN

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Prepared for:
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EXECUTIVE SUMMARY

Nakusp and Area Community Forest (NACFOR) Inc has been invited to apply for a long-term Community Forest Agreement (CFA) to replace their current Probationary Community Forest Agreement (PCFA). This updated NACFOR Management Plan presents the information necessary for approval of the license replacement.

The provincial government invited the Village of Nakusp to apply for a PCFA in the fall of 2005. Initially, the invitation was for an area able to support an Annual Allowable Cut of 10000 cubic meters. In August of 2006, this offer was expanded to include an additional 10000 cubic meters from areas currently under license to BC Timber Sales. The PCFA, with an allowable cut of 20000 cubic meters was officially granted in early 2008. The long-term CFA for which NACFOR is now applying would be defined by the same chart areas as were negotiated for the PCFA.

Attached to the Management Plan is a Timber Supply Analysis Report completed by Forest Ecosystem Solutions. This report, also referred to as the Area Volume Allotment (AVA) summarizes five separate timber supply projections which were made based on the inclusion of different areas from NACFOR's initial area negotiations with current licensees. Of these five projections, or runs, Run 5 was chosen as the one most closely fitting the annual short and long-term volume criteria for a 20000 cubic meter AAC. In consultation with the present licensees, NACFOR made slight adjustments to the Run 5 areas to obtain its final signed area transition agreements with Springer Creek Forest Products and BC Timber Sales. This Management Plan is consistent with the Assumptions noted in Section 4 of the AVA. Where the Management Plan specifically discusses issues relevant to one of the AVA Assumptions, consistency with that assumption has been noted.

The first part of the Management Plan details area descriptions, explanations of the legal entity and proposed administration and a summary of NACFOR's stated goals and objectives. NACFOR's administrative structure is integral to the success of its overarching management strategy which relies on combining linear focus and accountability with broad-based receptiveness and innovation. The roles of the Board of Directors, Board of Director sub-committees, management personnel, contractors and the public in the successful implementation of this strategy are clearly defined in the Management Plan.

The Management Plan document discusses Resource Management Objectives pertaining to governing legislation, priorities and methods for timber harvesting, timber charging methods, protection and conservation of non-timber values and resources, fire protection, forest health, silviculture and roads. NACFOR's methods consistently adhere to an overall strategy of balancing sustainable environmental management with focused economic and social objectives. It will combine adherence to existing forest policy and legislation with a commitment to seek innovative local solutions to industry challenges.

The Management Plan details the Public Consultation Process which will be employed with respect to legal review and comment requirements, the existence or potential formation of stakeholder organizations and other communications. Public consultation will play a vital role in the success of NACFOR's management strategy by increasing the organization's public credibility, improving public awareness and expanding the knowledge base used to develop new ideas and workable strategies.

The final section of the Management Plan outlines Government Objectives for CFA's and details the consistency of NACFOR's plan with those objectives.

MANAGEMENT PLAN

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1.0 INTRODUCTION AND HISTORICAL OVERVIEW

Nakusp and its surrounding area has been a forestry-based community for over a century. Local wood manufacturing facilities flourished in the area until the imposition of a provincial tenure system in the 1950's that gave almost exclusive timber harvesting rights to large corporations with outside mill holdings. With this lost access to fiber, Nakusp effectively lost its wood manufacturing capacity. However, the forests did continue to provide stable employment to Nakusp and area in the form of harvesting and other woods-related activities, allowing the community to continue to thrive until a major industry downturn beginning in the early 1980's. The provincial forest industry endured difficult times for almost a decade and it is likely that no community was hit harder during this time period than Nakusp. Repeated corporate turnovers and restructuring resulted in massive terminations and long-term lay-offs in the area.

Public interest in obtaining a Community Forest Agreement (CFA) first began to gain momentum in Nakusp and area in 1991 when Tree Farm License 23 was in the process of being sold. At that time, the community was still enduring the painful economic effects of restructuring efforts implemented by the outgoing licensee. Recognition began to surface within the community that it was within residents' best interests to regain some of the control they had held over local forests.

Nakusp's first two attempts to acquire a CFA were unsuccessful. Despite these setbacks, community belief that Nakusp and area needed a greater degree of control over local forest resources continued to grow. Therefore, when a third opportunity arose following the provincial government's announcement of the Forest Revitalization Plan in April, 2003, the community was well prepared. Nakusp was formally invited to apply for a Probationary Community Forest Agreement (PCFA) with a 10 000 cubic meter Annual Allowable Cut in November, 2005, an invitation which was increased to 20 000 cubic meters in August, 2006.

Nakusp and area was rewarded with a PCFA in 2008. The agreement was a milestone achievement for the community and it has worked hard since the awarding of the agreement to meet goals and objectives as outlined in its application submission. NACFOR has successfully harvested two cutting permits and completed road construction in anticipation of harvesting a third. 40 000 cubic meters of CP development is currently approved and another 30 000 cubic meters is ready for final submission to the Ministry of Forests. Unfortunately, the three years that have passed since the awarding of a PCFA have been some of the most economically challenging in the history of the industry. Like most licensees, NACFOR awaits a market upturn to be able to ramp up harvest levels and profitability and to realize the increased community activity that will flow from such a turnaround.

NACFOR recognizes both the significant short and long-term challenges the local industry faces. However, Nakusp and area is united in its belief that greater community control over its forested land base is essential to increasing the viability and sustainability of area forestry related activities. Expansion of the present probationary agreement to a long term CFA is a necessary step in the evolution towards making that vision a reality.

2.0 DESCRIPTION OF AREA

2.1 NEGOTIATED AREAS

Nakusp and area's present PCFA area was determined through separate negotiations with the former licensees, Springer Creek Forest Products (SCFP) and BC Timber Sales (BCTS). An equal AAC of 10 000 m3 was targeted in both cases. The negotiated areas can be summarized by geographic location as follows:

GEOGRAPHIC AREA	EXISTING LICENSEE	TOTAL (OPERABLE + INOPERABLE) AREA (ha)	THLB (OPERABLE) AREA (ha)
Slewiskin	Springer Creek Forest Prod.	4501	3155
Wensley Ck	Springer Creek Forest Prod.	185	185
Scalping Knife	B.C. Timber Sales	483	214
McDonald Creek	B.C. Timber Sales	76	56
Box-Summit	B.C. Timber Sales	2827	1852
Wilson (Harlow)	B.C. Timber Sales	627	0
Kuskanax	B.C. Timber Sales	330	135
Fosthall	B.C. Timber Sales	618	548
Galena Bay	B.C. Timber Sales	219	149

A brief description of each of the negotiated areas provides a better understanding of Nakusp and area's current PCFA and proposed CFA.

2.1.1 SLEWISKIN

The Slewiskin (also known as MacDonald Creek) area negotiated with SCFP is the largest geographic area within the proposed CFA, comprising 4501 ha or 45.6 percent of the total license area. The 3155 ha of operable ground within this area comprises 50.9 percent of the proposed Timber Harvesting Land Base (THLB).

The main advantages to holding the Slewiskin area as part of the license are:

- 1. good stand volumes and growing sites;
- 2. a valuable species mix with good value-added potential;
- 3. an almost entirely developed mainline road access; and
- 4. high relevance to the community in terms of visual concerns and recreation use.

The principal concern associated with this area is the relatively high proportion of recent cutovers within the drainage. A report prepared for SCFP revealed that Equivalent Clearcut Assessment (ECA) values hovered near their maximum at the time of NACFOR's takeover. NACFOR expanded on this report in 2009, updating both green-up and proposed harvest data. Judicious management strategies combined with fast green-up rates and a modest AAC will allow Nakusp and area to continue to draw a significant portion of its timber resources from this area for years to come.

Approximately 40000 cubic meters of timber are currently approved for harvest in this drainage under a NACFOR cutting permit.

2.1.2 WENSLEY CREEK

This relatively small area emerged as part of the proposed CFA area following initial negotiations with SCFP. The Wensley Creek area is geographically separated from the rest of the proposed takeover area. However, SCFP believed that in the interests of fairness and as part of its responsibility in taking on a CFA, it was Nakusp and area's duty to adopt a portion of the consumptive watershed areas within SCFP's current chart area. The NACFOR committee complied with this request.

Similar to Slewiskin, Wensley Creek features good stand volumes and growing sites, a valuable species mix with good value-added potential and an already constructed mainline road. In addition, it features a highly favourable terrain profile. The area is highly relevant to local interests. The local cross-country ski club maintains its main trail complex within this area. A number of domestic water users also obtain their consumptive supply from the area.

Just over 15 hectares and 4200 cubic meters were harvested from this area in 2010. Plans are also underway to expand on the existing trail complex within the area, possibly with the development of an interpretive forest network.

2.1.3 BOX-SUMMIT

After Slewiskin, the Box-Summit portion comprises the second largest continuous piece within the proposed CFA area, accounting for 2827 hectares or 28.3 percent of the total area and 29.9 percent of the total operable area. The area is largely dominated by Age Class 4 timber (60-80 years) located on average to good growing sites that will present good timber harvesting opportunities in fifteen to twenty years. The good medium-term harvest opportunities along with the area's proximity to the community are its main advantages as an addition to the CFA. Community and domestic water use, visual concerns and recreation opportunities are primary issues along the Box-Summit corridor.

2.1.4 MacDONALD CREEK

This tiny area was negotiated for takeover with BCTS because its administrative boundaries align well with the much larger portion of MacDonald Creek (Slewiskin) agreed to with SCFP. By contrast, it is isolated from other BCTS tenure. Ungulate winter range concerns and visual constraints are the main non-timber resources to be considered within this area.

2.1.5 SCALPING KNIFE

This was another small parcel included in the PCFA proposal package mainly because of its relative isolation from other BCTS operations compared with its proximity to many of the other proposed CFA areas and to the community itself. A high proportion of the overall area falls within inoperable ground. Visual and ungulate winter range concerns will be paramount.

2.1.6 WILSON (Harlow)

The portion of BCTS' Wilson Creek chart area negotiated for takeover presents no harvesting opportunities in the foreseeable future. Immediately following award of NACFOR's PCFA, 98% of the area was removed from NACFOR's timber harvesting land base as part of the newly legislated provincial caribou management plan.

2.1.7 FOSTHALL

Although geographically isolated from the rest of the proposed chart areas, Fosthall was negotiated as part of the CFA's final area because it provides good start-up ground for a new operation. Gentle terrain and good existing access will facilitate low-cost development and harvesting.

The Fosthall area is heavily used by pine mushroom pickers. Existing BCTS studies, local knowledge and expanded use of mycological expertise have been used to determine harvest strategies most compatible with continued mushroom productivity.

Road reconstruction and new road construction were completed in the fall of 2010 in anticipation of harvesting approximately 30000 cubic meters of recently developed timber in this area.

2.1.8 GALENA BAY

This area is similar to Fosthall both in terms of its isolation to the rest of the CFA area and the principal non-timber values it presents, primarily mushrooms and visual concerns. Like Fosthall, it was included primarily to provide the CFA with a low-cost start-up area that can be pursued within the first two or three years of operations.

2400 cubic meters was harvested by NACFOR from this area in 2009 using a forty percent basal area removal prescription.

2.1.9 KUSKANAX

A small portion of the BCTS chart area was included from the Kuskanax drainage. Immediately following approval of NACFOR's PCFA, provincial caribou management legislation excluded 147 hectares out of an original operable total of 282 hectares from this area. Realistically, remaining ground presently typed as operable can only be harvested by helicopter logging. The area presents some limited opportunities for recreation management.

3.0 LICENSE HOLDER AND ADMINISTRATION

The Village of Nakusp completed the incorporation of NACFOR in November of 2007.

NACFOR is governed by a seven to eight member Board of Directors, composed of a diverse and representative cross-section of the community. The exact number of Board members is determined by availability within the community. Board members include a Village Council representative and the Regional District Central Kootenay (RDCK) Area K director. Local forestry, wood manufacturing and affected watershed users are also represented on the Board.

NACFOR is managed under management contract and all operational work is also contracted out. NACFOR has no employees and owns no capital assets. See Section 5 and Appendices 1 and 2 of the Business Plan for a more comprehensive explanation of NACFOR's corporate structure.

4.0 MISSION STATEMENT

NACFOR strives to balance economic, ecological and social concerns in a manner that optimizes benefits for both the local and global community.

5.0 GOALS AND OBJECTIVES

Goals and objectives are divided into two parts:

- 1. Strategic goals and objectives; and
- 2. Short, medium and long-term goals (action plans).

5.1 STRATEGIC GOALS AND OBJECTIVES

NACFOR will seek to fulfill its mission statement by meeting the following broad strategic goals and objectives.

GOAL 1: Ensure the sustainability of area forests.

OBJECTIVES USED TO ACHIEVE GOAL

- 1. Monitor timber inventories to ensure that calculated AAC's are accurate and sustainable (Sections 7 and 8 of Management Plan).
- 2. Conserve non-timber forest resources (Section 9.4 of Management Plan).
- 3. Develop a Forest Health Tracking Strategy (Section 9.6 of Management Plan).
- 4. Achieve improved utilization from wood waste products (Section 10.2 of Management Plan).

GOAL 2: Optimize revenues from harvested timber.

OBJECTIVES USED TO ACHIEVE GOAL

- 1. Optimize economic utilization of product mix (Section 8.1 of Business Plan).
- 2. Open market log sales (Sections 8.1 and 8.2 of Business Plan).
- 3. Expansion of local wood manufacturing (Section 8.3 of Business Plan).
- 4. Utilize market cycles to advantage (Section 8.2 of Business Plan).

GOAL 3: Promote community stability

OBJECTIVES USED TO ACHIEVE GOAL

- 1. Establish NACFOR as a stable, profitable and financially independent entity (Section 5 of Business Plan).
- 2. Provide funding for community development projects and non-profit groups (Section 11.0 and Appendix 12 of Business Plan).
- 3. Promote local value added expansion (Section 8.1 and 8.3 of Business Plan).
- 4. Assist local youth in the acquisition of added skills and knowledge (Section 6.0 of Management Plan).

GOAL 4: Improve forest worker and public safety OBJECTIVES USED TO ACHIEVE GOAL

- 1. Ensure CFA areas are economically viable (Sections 7 and 8 of Management Plan and Sections 6, 7 and 8 of Business Plan).
- 2. Establish a fair and stable process for awarding of contracts (Section 4.2 of Business Plan).
- 3. Provide training opportunities for experienced and entry-level forest workers (Section 6 of Management Plan).
- 4. Establish a Fire Protection Strategy (Section 9.5 of Management Plan).

GOAL 5: Promote community involvement in local forest management OBJECTIVES USED TO ACHIEVE GOAL

- 1. Establish an effective and inclusive public consultation process (Section 11.0 of Management Plan and Section 5.3 of Business Plan).
- 2. Establish a mechanism for dispute resolution (Section 6.4 of Business Plan).
- 3. Improve public access to local forest resources (Section 9.4 of Management Plan).
- 4. Provide and promote the disposition of forestry-related educational tools within the community (Sec. 6 of Management Plan and Sec. 11.2 of Business Plan).

These same goals and objectives are also listed in the Business Plan.

5.2 SHORT, MEDIUM & LONG-TERM GOALS (ACTION PLANS)

NACFOR has prepared a list of action plans that will be used to fulfill strategic goals and objectives listed in Section 5.1. The action plans have been categorized below as short, medium and long-term goals, commencing upon NACFOR's receipt of a PCFA.

Goals are consistent with those identified in NACFOR's approved 2007 Management Plan. The current completion status of each goal is noted in italics.

Short Term Goals

- 1. Finalize transfer agreements with previous tenure holders. *Complete*.
- 2. Establish contract award policy via consultation with local contractors. Complete.
- 3. Complete and obtain approval for a Forest Stewardship Plan. Complete.
- 4. Form Waste Management Sub-Committee. Sub-committee formed. Additional recruitment required.
- 5. Form Innovative Strategies Sub-Committee. Sub-committee formed. Additional recruitment required.

- 6. Form Fire Management Sub-Committee. Sub-committee formed. Additional recruitment required.
- 7. Form Finance and Marketing Sub-Committee. Complete.
- 8. Form Youth Sub-Committee. Sub-committee formed. Additional recruitment required.
- 9. Form Conflict Resolution Sub-Committee. Complete.
- 10. Form Community Funding Committee. Complete.
- 11. Establish working relationships with affected stakeholder groups. Completed for development areas targeted to date. Process ongoing.
- 12. Establish working relationships with non-timber forest resource users. Completed for development targeted to date. Process ongoing.
- 13. Commence harvesting operations. Complete.
- 14. Meet all forest stewardship related commitments. Done for operations completed to date. Process ongoing.
- 15. Begin to build a cash reserve from NACFOR profits. *Positive balance sheet. All operations undertaken to date profitable.*
- 16. Establish effective public communication mediums. Established via website formation, annual open houses, public information sessions and local newspaper articles. Process ongoing.

Medium Term Goals

- 1. Develop a Fire Protection Strategy. Partially completed.
- 2. Develop a Forest Health Tracking Strategy. Partially completed.
- 3. Develop a Long Term Marketing Strategy. Partially completed.
- 4. Develop a Waste Management Strategy. Partially completed.
- 5. Determine sustainable harvest levels via Expanded Timber Supply Analysis. Partial Vegetative Resource Inventory (VRI)completed 2008-09. Methodology for Timber Supply Analysis still to be finalized.
- 6. Increase locally obtained wood manufacturing volumes by fifteen percent above pre CFA levels. Incomplete. Local manufacturers provided preferred status for 2009 primary manufacturing of cedar poles and birch. Other agreements being negotiated.
- 7. Continue to build cash reserve and cap at 1 million dollars. Current account balance \$205 000. 70 000 cubic meters developed and ready for harvest.
- 8. Begin funding for community projects and non-profit groups. \$500000 reserve target still to be met prior to initiation of community funding disbursements.
- 9. Establish an interpretive forest site or trail network. Not completed.
- 10. Continue to meet all forest stewardship related commitments. Ongoing.
- 11. Harvest 90 percent or greater of 100000 m3 5 year cut control. Only 10000 cubic meters harvested near end of Year 3. Meeting objective will depend on market turnaround.
- 12. Continue to fine-tune all original goals and amend them to meet changing demands. *Ongoing*.

Long Term Goals

- 1. Successfully convert 5 year probationary CFA to a longer term tenure. *In progress*.
- 2. Adjust harvest levels to reflect findings of Expanded Timber Supply Analysis. *To be completed.*
- 3. Implement Fire Protection Strategy. To be completed.
- 4. Implement Forest Health Strategy. To be completed.
- 5. Implement Long Term Marketing Strategy. To be completed.
- 6. Implement Waste Management Strategy. To be completed..
- 7. Implement appropriate incremental silviculture projects. 2 spacing and pruning projects completed in 2009. 1 spacing project completed in 2010. Projects ongoing.
- 8. Become a recognized leader in provincial and community forestry in the implementation of innovative and sustainable forest practices. *To be completed*.
- 9. Continue to fine-tune all original goals and amend them to meet changing demands. *Process ongoing*.

6.0 INNOVATIVE STRATEGIES

Innovative strategies are discussed or alluded to throughout the remainder of this plan and the Business Plan. However, it is useful to consolidate all of these in one location in the body of this report in order to gain a better overview of the innovative strategies NACFOR intends to pursue. Their location within the body of this document or the Business Plan is also referenced in the list below.

COMMITTED STRATEGY	REFERENCE	COMPLETION DATE
Forest Health Tracking Strategy	Section 9.6	Dec. 31, 2012
Fire Protection Strategy	Section 9.5	Dec. 31, 2012
Waste Management Strategy	Section 10	Dec. 31, 2012
Expanded Timber Supply Analysis	Section 8.2	Dec. 31, 2012

Nakusp and area looks forward to pursuing more involved and sophisticated innovations further into the future. During its first five years of operations, NACFOR must concentrate resources on building an efficient, viable and respected business. However, during this interim period, NACFOR will also begin to lay a foundation for increased future innovation.

NACFOR intends to establish an interpretive forest site and/or trail network within the area during its first five years. Nakusp and area's appeal as a tourist destination continues to increase rapidly. The establishment of an interpretive forest site and trail

network would provide a tangible link between the area's historical forest-based economy and its expanding tourist economy.

NACFOR also intends to explore the feasibility of other long-term innovations during this probationary period. Potential concepts which NACFOR will consider include the four ideas discussed briefly below.

1. Establishment of an accredited local worker training program

NACFOR commits to assist the local branch of Selkirk College in the provision of forest worker safety and training programs. NACFOR's assistance may include but not be limited to providing course instruction, providing training and education sites, and preparing course outlines. Program accreditation would be a long-term goal of such a program.

Recent discussion with Selkirk College administrators and area representatives reiterated agreement in prior discussions that a forestry training program for Nakusp and area would provide good opportunities for all participants. The existence of a CFA for the area and NACFOR's commitment to assist with program development would help bring this proposal closer to reality.

2. Agro-forestry production

A number of Nakusp and area residents are involved in small-scale agro-forestry production. NACFOR will consult with these individuals regarding how future CFA operations might be linked to such programs.

3. Botanical forest products

As with agro-forestry, NACFOR will consult with small-scale local harvesters and producers of botanical forest products to explore a future role for the CFA in the expansion of these opportunities.

NACFOR's PCFA application committed to the formation of an Innovative Strategies sub-committee, to be composed of a combination of management, board and non-board members. Its purpose would be to discuss and approve innovative strategies and potential implementation methods for those concepts.

As of December 31, 2010, the Innovative Strategies Sub-Committee had been formed and several meetings held to discuss potential opportunities. Once future projects are finalized, additional recruitment will be sought from within relevant community sectors to complete the sub-committee membership.

7.0 EXISTING INVENTORIES

7.1 AREA VOLUME ALLOTMENT

See the attached "Timber Supply Analysis Report" for the Nakusp Community Forest for a complete assessment of the proposed timber supply for the PCFA area completed in 2007. NACFOR's proposed area adopts the option discussed in Run 5 of the report, with two minor exceptions. The area in the Kuskanax which Run 5 included (C7_D3A) was exchanged for a similar area immediately to the west (C7_D2B), an exchange which will result in less fragmentation of licensee chart areas. A small piece of area C8_D2A will

be dropped in Slewiskin to allow Springer Creek Forest Products (SCFP) continuous access to its remaining chart area. NACFOR will conform to the harvest levels determined in the assessment. The analysis projects a short-term AAC of 20 000 cubic meters and a long-term sustainable AAC of 22 000 cubic meters.

This Management Plan is consistent with the Assumptions tabled in Section 4 of the AVA. Constraints relevant to issues specifically discussed in this Management Plan and

the applicable AVA Assumptions tied to them are listed below:

CONSTRAINT	SECTION in	RELEVANT AVA	SECTION
	MP	ASSUMPTION	in AVA
Harvest Areas by Order	9.2.1	Harvest Scheduling	4.3
of Priority		Priorities	
Harvest Areas by Order	9.2.1	Integrated Resource	4.1.1
of Priority		Management Zones	
Harvest Areas by Order	9.2.1	Seral Constraints	4.1.5
of Priority			
Water	9.4.1	Domestic Watersheds	4.1.3
Wildlife Habitat	9.4.3	Ungulate Winter Range	4.1.6
Visual Quality	9.4.6	Visual Quality Objectives	4.1.2
Silviculture Treatments	9.7	Silviculture Assumptions	4.5

It should be noted that the AVA preceded government's mountain caribou legislation and subsequent designation of virtually all of NACFOR's Wilson area and part of its Kuskanax area as no harvest zones. NACFOR estimates that this will reduce sustainable harvest levels within its PCFA area by approximately eight percent.

8.0 FUTURE INVENTORIES

8.1 EXPANDED TIMBER SUPPLY ANALYIS

NACFOR commits to expand on the results of the completed Area Volume Allotment. The purpose of the expanded analysis will be to provide additional information necessary to accurately predict sustainable harvest levels within the CFA area.

NACFOR intends to expand on the approach normally used in conducting timber supply analyses. The highly varied timber and terrain types present in the Arrow Lakes Valley make it extremely difficult to accurately project sustainable harvest levels by relying solely on office based information and modeling. NACFOR wishes to expand on traditional timber supply analysis methodology by introducing two additional concepts into its approach. These are:

1. Increased emphasis on ground truthing

NACFOR contends that significant ground truthing is required to accurately profile operability in areas with highly variable terrain and timber types. Terrain types deemed to be operable may in fact never be economically viable to harvest because of a prohibitive combination of high cost harvesting and low value timber. Conversely, there could also be cases where the opposite is true. Timber and terrain types change rapidly over much of NACFOR's operating area, creating a level of detail that cannot be captured by traditional timber supply

analysis methods but which is necessary to incorporate in order to accurately model the operable profile.

2. Multiple revenue projections

Standard timber supply analyses make certain assumptions regarding log market potential. Those analyses tend to overestimate the potential operability of high cost/low value stands within the area of the province NACFOR's operating area is located in. It is difficult to profile timber operability because it changes over the course of market cycles. No static analysis will ever be accurate because timber not profitable for harvest at one point in time may be profitable for harvest at another point in time. For this reason, NACFOR believes it is critical to provide multiple revenue projections to augment its timber information. Rather than simply deeming areas as operable or inoperable, more detailed modeling is required. The anticipated operability level for all areas should be defined by a critical price threshold below which harvesting is not considered to be viable. Combined with increased accuracy of available inventory and terrain information, this will allow the community to gain a more accurate understanding of the amount of operable timber realistically available for harvest at a given time or over a given period of time. Economic factors which could alter NACFOR's current AAC include:

- proportion of low value stands being higher than the market capacity to liquidate them during peaks in the market cycle;
- prohibitive levels of high cost roadbuilding; and
- prohibitive levels of high cost harvesting.

These factors are all expected to carry some significance within NACFOR's operating area, particularly as NACFOR looks further ahead in its harvest schedule.

One immediate benefit of the study will be to help NACFOR understand how aggressively it must pursue new markets for traditionally low value products.

Upon concluding the study, NACFOR will determine whether or not to recommend changes to the existing AAC.

9.0 RESOURCE PLANNING MANAGEMENT OBJECTIVES 9.1 GOVERNING LEGISLATION

NACFOR will undertake to comply with all applicable legislation as detailed in the following acts and regulations.

9.1.1 Forest Act

The Forest Act provides for classification and management of forests and forest land, the regulation of cutting rates, the disposition of timber by the government, and the rights and obligations of tenure holders.

Part 3 Division 7.1 (Sections 43.1 to 43.53) of the Forest Act contains the legislation governing CFA's.

9.1.2 Forest Range and Practices Act

NACFOR's operations are governed by the Forest and Range Practices Act (FRPA).

The Forest Stewardship Plan (FSP) is the key operational plan under FRPA used by NACFOR to document the strategies and results it commits to. All results and strategies must be consistent with objectives set by government.

9.1.3 Forest Planning and Practices Regulation

The Forest Planning and Practices Regulation (FPPR) is a legislative document detailing forest stewardship objectives set by government.

9.1.4 Kootenay Boundary Higher Level Plan

The Kootenay Boundary Higher Level Plan (KBHLP) is a legislative document which will govern a number of results and strategies tabled within NACFOR's FSP.

Where conflicting legislation exists regarding management of a particular resource, the applicable section of the Management Plan details the governing legislation.

9.2 PRIORITIES, METHODS FOR TIMBER CUTTING & REMOVAL 9.2.1 HARVEST AREAS BY ORDER OF PRIORITY

- 1. Salvage of windthrow or insect or fire-damaged timber;
- 2. Stands heavily infected by root rot;
- 3. Areas considered high risk under the urban/wildland interface fire management plan;
- 4. Older age classes (as per Section 4.3 of the AVA); and
- 5. Remaining operable timber not blocked from harvesting by legislative constraints. As per Section 4.1.1 of the AVA, harvesting will be planned to ensure a spatial distribution of harvest across the landbase.

Seral constraints only apply to the Galena Bay and Kuskanax portions of the proposed CFA. These constraints, along with Old Growth Management Area (OGMA) constraints, will be applied as per Section 4.1.5 of the AVA.

9.2.2 CUTTING AND REMOVAL METHODS

9.2.2.1 HARVEST SYSTEMS

NACFOR anticipates the following splits in its short-term, medium-term and long-term harvest system profile:

- 1. Short-term (first five years)
 - a. 60 percent conventional
 - b. 40 percent cable
- 2. Medium-term (6-30 years)
 - a. 50 percent cable
 - b. 40 percent conventional
 - c. 10 percent helicopter
- 3. Long-term (31-100 years)
 - a. 60 percent conventional
 - b. 40 percent cable

Conventional harvesting

Conventional harvesting operations are comprised of both large and small contractors. In general, large, high-production contractors are best suited to harvesting in areas with fewer constraints while smaller, lower production contractors are best suited to logging in watersheds and other high constraint areas.

Cable harvesting

NACFOR intends to maintain flexibility in the use of its cable systems. However, the high percentage of area operations contained within Partial Retention viewscapes, community and domestic watersheds, Ungulate Winter Range and other clearcut constraining objectives make it likely that small and mid-sized tower yarding will comprise the bulk of cable yarding operations. Grapple yarding will be preferred in cable harvesting areas with less constraints. NACFOR will explore the future option of using long-line cable systems in place of helicopter operations for relatively inaccessible areas in South Slewiskin, Box-Summit and the Kuskanax.

9.2.2.2 SILVICULTURE SYSTEMS

NACFOR will utilize a combination of silviculture systems within its CFA area. Systems which will be considered for use include:

- 1. Clearcut
- 2. Clearcut with reserves
- 3. Shelterwood
- 4. Partial cut (defined as minimum 40% Basal Area Retention).

Systems will be chosen on a site specific basis. Choosing the appropriate silviculture system for a given stand will sometimes require balancing potentially conflicting objectives. Some of these potential conflicts can be discerned from the summary below of the main objectives for consideration in choosing a silviculture system.

Regeneration

Silviculture systems must be chosen largely on the basis of how effectively the prescribed area will be able to regenerate after harvesting. Often, mimicking the natural disturbance type is the best way to ensure good regeneration. NACFOR's proposed CFA area is dominated by stands naturally regenerated by fire. In many cases, small or large clearcuts or clearcuts with reserves will most closely mimic this disturbance type and provide the most effective regeneration strategy for pioneer species such as Douglas-fir, western larch, white pine and lodgepole pine which tend to re-establish in these areas after fire.

Forest health

Forest health concerns can often limit silviculture system options. Stands dominated by a single species such as lodgepole pine and which face a serious risk of attack or have already been attacked by pests or pathogens are often reduced to clearcut or clearcut with reserves options. Stands featuring a mixed species profile are often subject to the same limitations if the pest or pathogen is non-discriminating in its choice of hosts. Armillaria root rot is a good example of this as only hardwood species are completely resistant to its encroachment. Stands will be carefully evaluated for the presence and severity of root rot prior to making a decision on an appropriate silviculture system.

Worker safety

Emphasis on worker safety is paramount within NACFOR's operating area and consequently, in the consideration of planned silviculture systems. Standing timber which poses a threat to worker safety will be cut down without exception. With this in mind, however, NACFOR must endeavour to ensure that forest workers possess sufficient training and experience that silviculture systems are not limited by worker deficiencies.

All NACFOR contractors are required to be Safe Certified by the Forest Safety Council of BC and to be in good standing with Worksafe BC.

Water

Silviculture system choice must consider both consumptive and non-consumptive water issues. All reasonable efforts will be made to minimize threats potentially posed by harvesting to licensed water courses. Ordinarily, this requires at least some level of stem retention within a certain distance of the consumptive stream. The location of permanent reserves within this zone is also a likely management prescription.

Wildlife

When considering wildlife in the choice of a silviculture system, it is necessary to prioritize which species one intends to manage for. However, while different species respond differently to different systems, it can be stated without exception that all wildlife species found in the proposed CFA area respond best to systems which include at least some level of mature cover either within or adjacent to a cutover. When managing for ungulate winter range, the use of partial cut or small patch cut systems is most appropriate. Careful consideration of reserve locations and the retention of veteran stems and veteran recruits is also important. Avian species utilize retained stems for perching, nesting or predatory purposes. Small and other large mammals, reptiles and amphibians also benefit from some form of retained cover within reasonable distance of a cutover.

Recreation

Recreation values such as hiking, mountain-biking, horseback-riding and cross and back-country skiing will be considered when choosing silviculture systems in areas where these forms of recreation are prevalent or where there is good potential for future use.

Visual objectives

Clearcut silviculture systems are widely disparaged in the context of visual concerns. While the visual offense caused by clearcutting can be reduced by limiting the size and managing the shape of the cutover, some level of internal stem retention is widely accepted as being aesthetically preferable to no internal retention. Often, the level of stem retention required to minimize negative visual impacts is low enough that the silviculture system is still technically defined as a clearcut.

Mushrooms

Both area studies and local opinion concur that large clearcuts destroy the habitat of the popular and commercially viable pine mushroom. Silviculture prescriptions will continue to consider alternatives to clearcutting in popular pine mushroom areas within the CFA.

Economic viability

While NACFOR recognizes that certain exceptional circumstances will require it to harvest timber at a loss, both short-term and long-term economic viability are critical NACFOR objectives. NACFOR is prepared to incur extra harvesting costs in consideration of other non-timber objectives but economic viability will always remain a factor. Partial cut prescriptions such as individual stem retention may simply prove too economically restrictive in certain circumstances.

9.3 TIMBER CHARGING METHODS

At this time, charging fees for timber products removed by NACFOR from the Crown owned Community Forest are levied according to a special tabular pricing arrangement for Community Forest licenses. The tabular rate is currently 15 percent of ordinary stumpage rates under the Interior Market Pricing System.

An additional royalty fee of \$0.25 per cubic meter is charged for payment of annual rent.

NACFOR has no plans at this time to derive or impose a charging system for the removal of any non-timber products from its CFA area.

9.4 PROTECTION AND CONSERVATION OF NON-TIMBER VALUES AND RESOURCES

NACFOR is responsible for the conservation and protection of the following non-timber values and resources. Those issues relevant to each value are discussed with respect to specific management strategies used for their conservation and protection.

9.4.1 WATER

Consumptive Use

Consumptive water use licenses exist in much of NACFOR's chart area. Baerg and Dog Creek are located within adjacent drainages both designated as community watersheds. The Kuskanax is also labeled as a community watershed although Nakusp does not use it as potable water source. Domestic watersheds also exist throughout the PCFA Area. See the table below for a complete list of community and domestic watershed locations.

GEOGRAPHIC AREA	WATERSHED	ТУРЕ	CLASS
Box-Summit	Baerg	Community	N/A
Box-Summit	Dog	Community	N/A
Kuskanax	Kuskanax	Community	N/A
Box-Summit	Brown Creek	Domestic	2
Box-Summit	Brown Face	Domestic	1
Box-Summit	Nakusp South Face	Domestic	1
Box-Summit	Jarvis Face	Domestic	1
Box-Summit	Alspen Creek	Domestic	2
Box-Summit	Bird Creek	Domestic	2
Box-Summit	Dornier Creek	Domestic	2
Slewiskin	Slewiskin-N. Face	Domestic	1
Slewiskin	Rogers Creek	Domestic	1
Galena	Payne Creek	Domestic	1
Wensley	Brown South Face	Domestic	1
Wensley	Harrop Creek	Domestic	2

Forest cover constraints for Community and Domestic Watersheds will meet the criteria outlined in Section 4.1.3 of the AVA.

NACFOR's Public Consultation Process (See Section 11) will give all community members a means to contribute to the decision-making process where potential conflicts might arise over resource use. NACFOR will encourage water users within the same watershed or consumptive use area to form local associations. This will facilitate more efficient, equitable and meaningful discussion with stakeholders in the drafting and implementation of plans.

At a minimum, all licensed consumptive use streams will be managed to comply with Objective 6 of the KBHLP objectives. Following consultation with local users, plans may exceed management requirements.

Riparian Management

All watercourses will be identified and classified. Stream management will meet all FPPR requirements with respect to Riparian Reserve and Management Zones. Watercourses will be examined on an individual, site-specific basis to determine whether or not the FPPR requirements should be exceeded.

9.4.2 RECREATION RESOURCES

NACFOR will work with area residents to conserve and enhance existing recreation opportunities within the CFA area. The most popular existing recreation opportunities within this area and NACFOR's broad management strategies with respect to their conservation and enhancement are discussed below.

Cross Country Ski Trails

The Arrow Lakes Cross Country Ski Club maintains groomed trails within the Wensley Creek area. Extensive consultation will be undertaken with the club prior to finalizing any harvesting plans in the area. Efforts will be made to expand and enhance the existing trail complex in conjunction with meeting other timber and non-timber resource objectives.

Motorized Recreation

Although no designated trail complexes for motorized recreation use exist within the proposed CFA area, there is extensive ATV, dirt-bike and snowmobile riding use throughout. Local clubs will be given an opportunity to provide input prior to finalizing planned operations within the CFA area. NACFOR will seek to implement road deactivation measures which maintain or increase current motorized recreation use wherever such measures do not create an increased risk of negative environmental impacts.

Non-Motorized Recreation

NACFOR commits to working with government and local organizations to explore possible upgrading or expansion of both official and unofficial trail networks within its chart area.

The Box Lake Recreation Trail is located just outside the proposed perimeter of the Box-Summit operating area. The Kuskanax Trail accessing Nakusp Hot Springs transects that section of the Kuskanax included in NACFOR's proposed CFA. Both trail complexes are locally maintained and through consultation, all efforts will be made to ensure that NACFOR operations do not negatively impact the trail complex.

Part of NACFOR's long-term strategy includes working with local individuals and organizations as well as government agencies and potential funders to establish an interpretive forest and trail network within and possibly also outside the proposed CFA.

Parks and Campgrounds

Local parks and campgrounds which border or lie close to the proposed CFA area include MacDonald Creek Provincial Park, Box Lake Campground and Recreation area, Three Islands Resort and Summit Lake Provincial Park.

Care will be taken not to negatively impact user experiences with NACFOR operations.

Mushroom Picking

The Fosthall and Galena Bay areas are popular destinations in the late summer and early fall for pickers of pine, chanterelle and other edible mushrooms. Appropriate consultation will be used to develop operational plans that allow mushroom habitat to co-exist with both short and long-term timber objectives.

Back-country skiing

There are two back-country cabins in the Wilson part of NACFOR's chart area. There will be no conflict with NACFOR operations as this area has been placed in a no harvest zone under government caribou legislation.

9.4.3 WILDLIFE HABITAT

NACFOR's proposed areas feature a number of wildlife management issues, including species identified as being at risk by the Species at Risk Coordination Office (SARCO). Management strategies for these and other species will be employed to minimize any potentially negative impacts resulting from NACFOR operations and where possible, to enhance habitat quality and opportunities. Specific commitments and other considered strategies made by NACFOR at this time are detailed below. More specific commitments and strategies may follow upon NACFOR's completion of a Forest Stewardship Plan.

Caribou

NACFOR will ensure that all caribou management activities are carried out in accordance with government legislation pertaining to species protection. Essentially, this means that no harvesting will be undertaken in the Wilson (Harlow) area and that harvesting likelihood in the Kuskanax area is highly unlikely.

Ungulate Winter Range

Ungulate Winter Range (UWR) will be managed in accordance with Government Action Regulation Order – Ungulate Winter Range #4-0001 UWR signed December 13, 2005. Identified UWR exists within parts of Slewiskin, McDonald Creek, Wensley Creek, Scalping Knife, Box-Summit, Galena Bay and Fosthall.

Potential strategies for UWR protection within planned development areas may include but not be limited to:

- 1. Wildlife Tree Patch locations targeting opportunities for corridor movement;
- 2. Wildlife Tree Patch locations targeting high use rock knobs;
- 3. Individual stem retention targeting veterans or veteran recruits; and
- 4. Small patch cuts maximizing 'edge effect' between forage and cover areas.

Ungulate Winter Range will be managed to meet the modeling constraints described in Section 4.1.6 of the AVA.

Species at Risk

Species identified as being at risk by the Species at Risk Coordination Office(SARCO) within NACFOR's chart area are managed according to SARCO recommendations. Forest development personnel are trained in the identification of these species. Any sightings must be recorded and reported to the Conservation Data Center. Development plans potentially impacting the area within which the species was sighted will be done in consultation with a wildlife technician or biologist. Sightings will also be recorded of any species identified by SARCO as threatened or of special concern.

Wildlife Tree Patches and Individual Stem Retention

NACFOR undertakes to maintain or enhance habitat in conjunction with its operations wherever practicable. NACFOR's FSP commits to meeting Wildlife Tree Patch requirements for both blocks and cutting permits:

- as identified under Sections 66 and 67 of the FPPR; or
- with minor alterations to Sections 66 and 67, with a commitment to achieve equivalent results or better for wildlife habitat conservation.

Habitat needs of all wildlife species are considered in the location of wildlife tree patches, including large and small mammals, amphibians, reptiles and avian species. Assessments of wildlife tree needs will not be limited to patches and may also include individual stem retention.

When appropriate, local experts such as trappers or guide outfitters will be consulted prior to the finalization of development plans.

Landscape Level Objectives

Achieving stand level objectives in the form of wildlife trees and individual stem retention can only provide optimum value if they are met in accordance with landscape level objectives. NACFOR strives to achieve landscape level objectives as identified in relevant sections of the KBHLP and the FPPR as well as the FSP's of adjacent licensees.

9.4.4 FISH HABITAT

Only two confirmed fish-bearing streams are located within the proposed CFA area. The most significant of these is MacDonald Creek, recognized by the Ministry of Environment as an important spawning channel. Much of MacDonald Creek is already protected from harvesting as it lies within a previously identified Old Growth Management Area (OGMA). At a minimum, NACFOR will ensure that it complies with appropriate sections of the FPPR with respect to reserve and management zone requirements on S2 class streams.

Two other confirmed fish-bearing streams are located within the proposed CFA area, both at Fosthall. Suspected fish-bearing streams (identified by gradient) are located within all of the other proposed CFA areas. Any suspected fish-bearing habitat will be inventoried to confirm its status as either fish-bearing or non fish-bearing. All streams confirmed as fish-bearing will comply with reserve and management zone requirements identified in the FPPR.

9.4.5 BIOLOGICAL DIVERSITY

NACFOR undertakes to carry out any timber harvesting or road construction activities in accordance with Objective 1 of the KBHLP and any other KBHLP objectives which reference biodiversity emphasis.

NACFOR is committed to maintaining a variety of commercial and non-commercial plant species which reflect natural CFA ecosystems. Forest development personnel are trained to identify species identified by SARCO as being of special concern.

9.4.6 VISUAL QUALITY

Visual Quality Objectives (VQO's) must be considered over a significant portion of the proposed CFA area. As outlined in the AVA, Partial Retention objectives are prescribed for large portions of the Slewiskin, Wensley, Box-Summit, McDonald and Scalping Knife areas. Modification objectives are also identified within small amounts of the Slewiskin and Box-Summit areas.

At a minimum, NACFOR will manage its operations to meet Visual Quality Objectives (VQO's) for scenic areas recognized as current and identified on the Kootenay Spatial Data Partnership website or its successor. NACFOR will work to meet these objectives in accordance with Objective 9 of the KBHLP.

Section 4.1.2 of the AVA provides that, "management for visual quality will be managed by limiting that portion of the relevant visual polygon less than 5.5 to 6.8 meters tall to between 5 and 25 percent dependent on the targets for the respective scenic area visual polygon and the visual absorption capacity (VAC) of the polygon."

NACFOR also undertakes to consider viewscapes not identified on the KSDP website but which are of importance to area residents. Opportunity for information sharing will be provided prior to the finalization and submission of cutting permit documentation.

9.4.7 **SOILS**

NACFOR will undertake to comply with Section 35 of the FPPR pertaining to Soil Disturbance Limits and Section 36 pertaining to Permanent Access Structure Limits. Sections 5 and 12.1(1) are the objectives in the FPPR to which this applies.

9.4.8 CULTURAL HERITAGE and FIRST NATIONS

A First Nations Consultation was conducted by the Ministry of Forests Arrow Boundary District on the negotiated areas for the NACFOR PCFA prior to finalization of any areas.

First Nations bands identified as having area interests are provided with opportunity to engage in information sharing as per NACFOR's FSP commitments.

No known cultural heritage sites exist within the NACFOR area. However, NACFOR will use expert advice to conduct an Archaeological Overview Assessment prior to submission of all cutting permits for approval. If the area is determined to contain potential cultural heritage values, those experts will be commissioned to conduct a field inventory. Depending on their findings, further action may or may not be required. If further action is required, all relevant First Nations groups will be consulted.

9.4.9 RANGE LAND

No range tenures exist within the proposed CFA area.

9.5 FOREST FIRE PREVENTION AND SUPPRESSION

NACFOR will commit to designing a Fire Protection Strategy for its CFA area intended to minimize fire hazard and risk within the licence area and to surrounding populated areas. Possible prevention measures may include but not be limited to:

- 1. Restricting harvesting and roadbuilding operations near populated areas during the highest risk fire months;
- 2. Placing strict timelines on the post-harvest treatment of debris;
- 3. Contracting small-scale, low-impact snag-falling and firewood salvage within high risk areas that are easily accessible; and
- 4. Providing signage advising recreational users about fire-smart behaviour and reporting lines.

At minimum, all commitments made by NACFOR will either meet or exceed fire protection requirements tabled in Section 5 of the FPPR. NACFOR will have a Fire Protection Strategy in place for its CFA area by December 31, 2010.

NACFOR will also attempt to spearhead a wider-reaching effort to develop a wildland interface fire plan that minimizes fire risk to the community from all adjacent forested areas. NACFOR will seek to involve both municipal and provincial authorities, other area licensees and community members in forming a task force commissioned to study the options and to make recommendations.

9.6 FOREST HEALTH

NACFOR intends to implement an aggressive and pro-active Forest Health Tracking Strategy. Good existing access to most areas within the proposed CFA will help to ease both design and implementation of this strategy. Possible strategies implemented under the plan may include but not be limited to:

- 1. forest health ground inventories;
- 2. aerial identification of infestation areas:
- 3. contributions to research programs examining potential prevention, mitigation and eradication options;
- 4. forest health mapping; and
- 5. ranked prioritization of the various forest health issues.

The Forest Health Tracking Strategy and all other forest health-related operations undertaken by NACFOR will be consistent with legislation tabled in Part 3, Division 3 of the FPPR.

Mountain Pine Beetle (MPB) does not pose a major forest health risk to the proposed CFA area as lodgepole pine types do not dominate any of the areas. Where appropriate, action will be taken to capture mortality and reduce fire hazard resulting from infestations. No such infestations have been noted to date.

Root rot is expected to pose the greatest threat to area stands. Endemic root rot is present within almost all area stands and higher incidence is not uncommon. *Armillaria ostoyae*

poses the most common threat but *Inonotus tomentosus* and variations of *phellinus* root rot are also present in some stands. Root rot concerns will need to be considered carefully in the choice of silviculture systems. These concerns may limit partial cut options in some cases, which may in turn conflict with preferred strategies to address non-timber resource values such as visuals, water and mushroom habitat.

NACFOR forests will also be monitored carefully for Douglas-fir bark beetle. Present infestation levels are low but could increase in the future, particularly in Douglas-fir leading stands that dominate much of MacDonald Creek and Wensley Creek.

Other known forest health considerations within or close to the proposed CFA area include white pine blister rust, spruce bark beetle and balsam bark beetle. These will be monitored but none are expected to pose a major threat due to the low overall composition of the relevant host species within the CFA area.

NACFOR will monitor for any other forest health considerations known to exist or have existed within the area.

As of December 31, 2010, NACFOR had informally monitored all of its PCFA area for forest health concerns. Endemic levels of root rot and Douglas-fir bark beetle are the most significant threats noted at the present time.

9.7 SILVICULTURE TREATMENTS

9.7.1 BASIC SILVICULTURE

Stocking standards meet all requirements established under FPPR Sections 16, 29(2), 44(1) and 44(4) except where special circumstances apply. Special circumstances will apply only where they are defensible and where they are enacted to improve forest management strategies. No exceptions to current stocking criteria are contained within NACFOR's currently approved FSP.

Criteria used to determine regeneration method, regeneration delay, initial density and species composition meet the assumptions found in the 'TSR III Analysis Report' and used in the preparation of the AVA.

9.7.2 INCREMENTAL SILVICULTURE

NACFOR intends to explore a number of incremental silviculture options. NACFOR will first begin to look at options in free-to-grow blocks inherited from the previous licensees. In the longer term, it will assess similar options in blocks developed under its own tenure.

Incremental silviculture treatments may include but not be limited to spacing and pruning programs. These programs provide good opportunities for local employment. However, decisions to implement particular programs will not be predicated upon social engineering efforts. All programs must be selected on the basis of sound forest management data and strategies. The presence and severity of root rot will be a critical determinant in the adoption of appropriate strategies.

As of December 31, 2010, NACFOR had completed two spacing and pruning projects and one spacing only project.

9.8 ROAD CONSTRUCTION, MAINTENANCE, REHABILITATION AND DEACTIVATION

All NACFOR activities with respect to road construction, maintenance, rehabilitation and deactivation will conform to all relevant sections under Part 5 of the FPPR.

As of December 31, 2010, NACFOR had completed ten kilometers of newly constructed and reconstructed roads in the Fosthall area in preparation for future harvesting of an estimated 30000 cubic meters of timber. All other road construction activity to date has been limited to short spur road and reconstruction activities.

10.0 TIMBER HARVEST SPECIFICATIONS 10.1 OBLIGATORY UTILIZATION

NACFOR will abide by the Interior Timber Merchantability Specifications as outlined in the "Provincial Logging Residue and Waste Measurement Procedures Manual," effective January 1, 2005 and last updated May 1, 2006. The specifications listed below are borrowed directly from Table 1-2 on Page 1-6 of the manual.

Description	All Stands
Stumps (measured on the side of the stump adjacent to the highest ground)	
No higher than	30 cm
Diameter (outside bark) at stump height	, , , , , , ,
Lodgepole pine: all timber that meets or exceeds	15 cm
All other species: all timber that meets or exceeds	20 cm
Top diameter (inside bark or slab thickness)	
For all species and ages, except Cedar older than 141 years, all timber that meets or exceeds	10 cm
For cedar older than 141 years	15 cm
Minimum length	
Log or slab	3 m

Technically, there is no obligation to utilize any timber under an active cutting permit. However, the provincial "take or pay" policy effectively makes timber meeting the above specifications obligatory utilization by billing companies for any unutilized timber in those categories.

10.2 OPTIONAL UTILIZATION

Dry Grade 4, Grade 6 or Z timber will not be subject to waste billing and will therefore be considered optional utilization. NACFOR will take concrete steps to improve utilization standards to exceed obligatory obligations. In order to do so, it will develop a Waste Management Strategy which will establish specific recommendations for improved waste management practices. Strategies which may be employed could include but not be limited to:

- 1. Use of post-harvest debris to provide energy for local infrastructure such as schools;
- 2. Permitted access to post-harvest debris by small value-added users;
- 3. Incentives for harvesting contractors to improve utilization;
- 4. Consolidated waste management by area licensees and local manufacturers.

NACFOR will seek to involve harvesting contractors, local wood manufacturers, other area licensees and the general public in devising the strategy. It will fall within the mandate of the Innovative Strategies Sub-Committee (see Section 6) to explore waste management options and to recommend a NACFOR strategy. NACFOR undertakes to have its Waste Management Strategy in place by Dec 31, 2012.

11.0 PUBLIC CONSULTATION PROCESS

11.1 LEGAL REQUIREMENTS

NACFOR undertakes to meet all 'Review and Comment' requirements pertaining to a Forest Stewardship Plan outlined in Sections 20, 21 and 22 of the FPPR. Provisions include but are not limited to:

- 1. Public notice in a newspaper;
- 2. Availability for public review;
- 3. 60 days to allow for public response;
- 4. Reasonable opportunity to review the plan; and
- 5. Obligations to respond to relevant written comments.

11.2 STAKEHOLDER ORGANIZATIONS

NACFOR will make additional commitments to the Public Consultation Process beyond the legislation referenced above. It will encourage input and communication from local stakeholder groups including but not limited to:

- 1. Arrow Lakes Cross-Country Ski Club;
- 2. Arrow Lakes Saddle Club;
- 3. Nakusp Snowmobile Association;
- 4. Nakusp Conservation Club.

NACFOR will also encourage the formation of other organized stakeholder groups by local individuals with common interests or concerns pertaining to CFA forest resources. In particular, it will encourage water users with licenses located within the CFA to form local watershed associations. NACFOR will meet periodically with such groups throughout any development planning process which proposes operations within their watershed area. Every effort will be made to achieve a consensus-based decision prior to the finalization of any development plans within a watershed area.

Other stakeholders which may or may not form stakeholder organizations but whom NACFOR will include in its referral process prior to the finalization of cutting or roadbuilding plans include licensed area trappers and guide outfitters.

Individuals or groups will also be encouraged to bring forward other innovative ideas which can be implemented by or in conjunction with NACFOR. Although NACFOR emphasizes that the first several years of operations must be focused primarily on establishing an efficient, stable and respected business, it also recognizes that it must look to the future in order to build towards optimizing the potential benefits of a CFA tenure. See the earlier section on Innovative Strategies for more details on this subject.

11.3 OTHER COMMUNICATIONS

NACFOR recognizes that maintaining a wide variety of communication mediums between the community and itself will be instrumental in implementing an effective public consultation process. In addition to meeting legislative requirements and encouraging stakeholder organizations as outlined above, communication mechanisms will include but not be limited to the following:

- 1. establishment of a NACFOR website (<u>www.nakuspcommunityforest.com</u>) summarizing completed and proposed activities;
- 2. an annual open house to display and discuss completed and proposed activities;
- 3. participation and representation in periodic public discussion forums;
- 4. local newspaper coverage (Arrow Lakes News and Valley Voice);

12.0 MANAGING FOR PROVINCIAL CFA PROGRAM OBJECTIVES

The following section reiterates government objectives for Community Forest Agreements as contained on the following Ministry of Forests website link: www.for.gov.bc.ca/hth/timber-tenures/community/objectives.htm

Each objective is listed in italics. Following each listed objective is a summary of sections within NACFOR's Management Plan which demonstrate commitment to that objective.

This form of tenure is intended to provide new opportunities for community management of Crown forest land.

By providing communities with greater flexibility to manage local forests, government seeks to:

- Provide long-term opportunities for achieving a range of community objectives, values and priorities.
 - Section 5. NACFOR Goals and Objectives
 - Section 8. Expanded Timber Supply Analysis
 - Section 9.4. Protection and Conservation of Non-Timber Values and Resources
 - Section 9.5. Forest Fire Prevention and Suppression
 - Section 9.6 Forest Health

- ❖ Diversify the use of and benefits derived from the community forest agreement area
 - Section 5.1. Goal 1, Objective 4 and Goal 5, Objective 3
 - Section 5.2. Short-term Goals 5 and 8. Medium-term Goals 3, 6 and 9.
- Provide social and economic benefits to British Columbia
 - Section 5. Goal 2 (All objectives)
- Undertake community forestry consistent with sound principles of environmental stewardship that reflect a broad spectrum of values
 - Section 5. NACFOR Goals and Objectives
 - Section 6. Innovative Strategies
 - Section 8. Expanded Timber Supply Analysis
 - Section 9. Resource Planning Management Objectives
 - Section 10. Timber Harvest Specifications
- Promote community involvement and participation
 - Section 5.1 Goal 5 (All objectives)
 - Section 5.2 Short-term Goals 2, 4, 5, 6, 8, 9, 10,11, 12. Medium-term Goals 1, 4, 6, 8;
 - Section 11. Public Consultation Process
- Promote communication and strengthen relationships between Aboriginal and non-Aboriginal communities and persons
 - Section 9.4.8 Cultural Heritage and First Nations
- ❖ Foster innovation
 - Section 6. Innovative Strategies
- ❖ Advocate Worker Safety
 - Section 5.1. Goal 4 (All objectives)
 - Section 9.2.2.2 Worker Safety