Forest Management Public Summary

for

Alberta Pacific Forest Industries, Inc.

Certification Code: SW-FM/COC-1626
Date of Certification: September 12, 2005
Date of Public Summary: September 2005

This document was produced according to the guidelines of the Forest Stewardship Council (FSC) and the SmartWood Program. No part of the report should be published separately.

Certifier:
SmartWood Program
1
c/o Rainforest Alliance
665 Broadway, 5th Floor
New York, New York 10012 USA
TEL: (212) 677-1900 FAX: (212) 677-2187
Email: info@smartwood.org
Website: www.smartwood.org

1 SmartWood is implemented worldwide by the nonprofit members of the SmartWood Network. The Network is coordinated by the Rainforest Alliance, an international nonprofit conservation organization. The Rainforest Alliance is the legally registered owner of the SmartWood certification mark and label. All uses of the SmartWood label for promotion must be authorized by SmartWood headquarters. SmartWood certification applies to forest management practices only and does not represent endorsement of other product qualities (e.g., financial performance to investors, product function, etc.). SmartWood is accredited by the Forest Stewardship Council (FSC) for the certification of natural forest management, tree plantations and chain-of-custody.
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAC</td>
<td>Annual Allowable Cut</td>
</tr>
<tr>
<td>ALCES</td>
<td>A Landscape Cumulative Effects Simulator (land-use modeling tool)</td>
</tr>
<tr>
<td>AOP</td>
<td>Annual Operating Plan</td>
</tr>
<tr>
<td>ASRD</td>
<td>Alberta Sustainable Resource Development (Government of Alberta)</td>
</tr>
<tr>
<td>AVI</td>
<td>Alberta Vegetation Inventory</td>
</tr>
<tr>
<td>AWA</td>
<td>Alberta Wilderness Association</td>
</tr>
<tr>
<td>BCN</td>
<td>Bigstone Cree Nation</td>
</tr>
<tr>
<td>CEMA</td>
<td>Cumulative Environmental Management Association</td>
</tr>
<tr>
<td>CITES</td>
<td>Convention on international trade in endangered species</td>
</tr>
<tr>
<td>CLAWR</td>
<td>Cold Lake Air Weapons Range</td>
</tr>
<tr>
<td>COC</td>
<td>Chain of custody</td>
</tr>
<tr>
<td>COSEWIC</td>
<td>Committee on the Status of Endangered Wildlife in Canada</td>
</tr>
<tr>
<td>CPAWS</td>
<td>Canadian Parks and Wilderness Society</td>
</tr>
<tr>
<td>CTP</td>
<td>Coniferous timber permit</td>
</tr>
<tr>
<td>DFMP</td>
<td>Detailed Forest Management Plan</td>
</tr>
<tr>
<td>DHP</td>
<td>Detailed Harvest Plan</td>
</tr>
<tr>
<td>EA</td>
<td>Environmental assessment</td>
</tr>
<tr>
<td>EMS</td>
<td>Environmental management system</td>
</tr>
<tr>
<td>ENGO</td>
<td>Environmental non-government organization</td>
</tr>
<tr>
<td>FERIC</td>
<td>Forest Engineering Institute of Canada</td>
</tr>
<tr>
<td>FHP</td>
<td>Final Harvest Prescription</td>
</tr>
<tr>
<td>FMA</td>
<td>Forest Management Agreement area</td>
</tr>
<tr>
<td>FMP</td>
<td>Forest Management Plan</td>
</tr>
<tr>
<td>FMTF</td>
<td>Forest management task force</td>
</tr>
<tr>
<td>FMU</td>
<td>Forest management unit</td>
</tr>
<tr>
<td>FSC</td>
<td>Forest Stewardship Council</td>
</tr>
<tr>
<td>GDP</td>
<td>General Development Plan</td>
</tr>
<tr>
<td>GMO</td>
<td>Genetically modified organism</td>
</tr>
<tr>
<td>HCV</td>
<td>High conservation value</td>
</tr>
<tr>
<td>HCVF</td>
<td>High conservation value forest</td>
</tr>
<tr>
<td>ILM</td>
<td>Integrated landscape management</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of understanding</td>
</tr>
<tr>
<td>MSL</td>
<td>Mineral surface lease</td>
</tr>
<tr>
<td>MTU</td>
<td>Miscellaneous timber use permit</td>
</tr>
<tr>
<td>MNA</td>
<td>Métis Nation of Alberta</td>
</tr>
<tr>
<td>NBS</td>
<td>National boreal standard</td>
</tr>
<tr>
<td>NDS</td>
<td>Natural disturbance system</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-government organization</td>
</tr>
<tr>
<td>OGR</td>
<td>Operating Ground Rules</td>
</tr>
<tr>
<td>PHP</td>
<td>Preliminary Harvest Plan</td>
</tr>
<tr>
<td>PSP</td>
<td>Permanent sample plot</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>SAGD</td>
<td>Steam assisted gravity drainage (for heavy oil)</td>
</tr>
<tr>
<td>SAR</td>
<td>Species at risk</td>
</tr>
<tr>
<td>SHS</td>
<td>Spatial Harvest Sequence</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard operating procedure</td>
</tr>
<tr>
<td>TEK</td>
<td>Traditional ecological knowledge</td>
</tr>
<tr>
<td>TNSP</td>
<td>Trapper notification and support program</td>
</tr>
<tr>
<td>TSA</td>
<td>Timber supply analysis</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wildlife Fund</td>
</tr>
</tbody>
</table>
Introduction

This report presents the findings of an independent certification assessment conducted by a team of assessors representing the SmartWood Program of the Rainforest Alliance.

The purpose of the assessment was to evaluate the environmental, silvicultural, aboriginal and socio-economic aspects of the Alberta-Pacific Forest Industries Inc (Al-Pac) forestry operations on their Forest Management Agreement Area (FMA). The FMA is located in northern Alberta to the north of the communities of Athabasca and Lac la Biche, Alberta and surrounding Fort McMurray, Alberta. The field portion of the assessment was carried out in the beginning of November 2004 and followed a scoping assessment and additional assessment work by SmartWood representatives in 2000 and in May 2004.

The assessment was based on the Forest Stewardship Council (FSC) Canada Working Group National Boreal Standard (NBS, Version 3) which was accredited by the Board of FSC in August 2004.

To earn SmartWood certification, a forest management operation must undergo an on-site field assessment. This Public Summary Report summarizes information contained in the initial assessment report, which is produced based on information collected during the field assessment. Annual audits are conducted to monitor the forest management operation’s activities, to review the operation’s progress toward meeting their certification conditions (corrective action requests), and to verify compliance with the SmartWood standards. Addenda providing the updated information obtained during these annual audits are included as attachments to the Public Summary Report.

1. GENERAL SUMMARY

1.1 Name and Contact Information

Source Name: Alberta Pacific Forest Industries Inc.
Contact Person: Brent Rabik
Address: P.O. Box 8000
Boyle, Alberta, Canada T0A 0M0
Tel: (780) 525-8348
Fax: (780) 525-8097
E-mail: rabikbr@alpac.ca
Website: www.alpac.ca

1.2 General Background

A. Type of operation

Al-Pac is a forest company that manages and harvests forest resources from publicly owned forest land, referred to as the FMA, in Alberta, Canada. Their operations are conducted under an FMA that is awarded by the provincial government of Alberta and renewable on 20-year terms.
Al-Pac harvests both coniferous and deciduous tree species from the FMA and owns and operates a pulp mill that receives the majority of its wood fibre from the FMA. Several other companies hold rights to cut coniferous species and these trees are delivered to a number of sawmills.

The FMA outer boundary encompasses a total area of 6.87 million hectares. The actual area of the FMA is 5.78 million ha, as approximately 1.1 million ha of poorly drained, non-productive forest within these outer boundaries (referred to as “doughnut holes) are excluded from the official FMA. It is the largest FMA in Alberta and includes approximately 9% of the land area of the province of Alberta. East to west it stretches roughly 300 km from the Saskatchewan border west to Lesser Slave Lake in Alberta. It stretches about 340 km from the agricultural zone around Athabasca and Lac La Biche, 200 km north of Edmonton, Alberta to the Birch Mountains in the north.

There are a significant number of communities, both aboriginal and non-aboriginal, in the FMA and around the perimeter. The forest resources provide employment through the forest industry, trapping, guiding, hunting, fishing and tourism. In addition to Al-Pac’s pulp mill, several sawmills also depend on the FMA for wood supply. The forest also has extensive recreational opportunities. It is the traditional territory of a number of First Nations and is important culturally and spiritually to these communities, and provides them with opportunities for traditional uses of the forest.

**B. Years in operation**

Al-Pac’s pulp mill was completed in 1992 and Al-Pac has been conducting timber harvesting and forest management on the FMA since 1993.

**C. Date first certified**

September 12, 2005

**D. Latitude and Longitude**

Al-Pac’s FMA is located between Latitude 55° N and 58° N and Longitude 110° W and 113°W.

**1.3 Forest and Management System**

**A. Forest type and land use history**

The FMA area is located in north-eastern Alberta and is almost entirely boreal forest within the boreal forest region of Canada. The topography is generally flat with small elevational differences defining uplands from lowlands. The Athabasca River runs through the centre of the

---

2 Information provided by Al-Pac.
3 As described by J.S. Rowe in Forest Regions of Canada; Canadian Dept. of the Environment, Canadian Forest Service, Publication #1300, 1972.
FMA from south to north and there are extensive areas of wetlands including bogs, fens, and marshes.

The majority (84%) of the FMA is in the Central Mixedwood subregion of the boreal forest region, with Boreal Highlands accounting for the bulk (15%) of the remaining area. It is dominated by pure and mixed stands of trembling aspen, balsam poplar, white spruce and black spruce. Jack pine, balsam fir and white birch are minor components of the forest landscape. Most stands are in the 60-100 year old age classes because of the extensive history of forest fires. Almost 50% are in the 80 year old age class and only about 5% are older than 140 years.

Prior to the forest and energy industries, trapping and fur trading were the important land uses in the forest. Timber harvesting has been underway in the area since the mid-1950s with the establishment of a number of coniferous sawmills in the region. Landscape-scale forest management began relatively recently in the area with the awarding of the FMA to Al-Pac and construction of the Al-Pac pulp mill in the early 1990’s.

The oil and gas industry has been a major influence in the region over the past fifty years with the discovery of reserves throughout the region. The effects of the exploration and development of the oil and gas industry including seismic lines, well sites, power lines, pipelines and pumping stations, camps, roads and other infrastructure are visible across most of the FMA. The recent development of the Athabasca oil sands north of Fort McMurray in the north-east part of the FMA involve the removal of forest and surface soils to extract the oil sands beneath the surface. This very large development has spurred the rapid growth of Fort McMurray and an infrastructure of heavy oil processing industries in the north-east part of the FMA. Based on a specific request from Al-Pac, input from multiple governmental and non-governmental stakeholders, and consideration of FSC/SmartWood policies and procedures, an area of approximately 292,000 ha of Mineral Surface Leases (MSLs) for the oil sands removal is excluded from the certified area.

**B. Size of management unit certified and forest use in production forest, conservation and restoration.**

Based on the findings of this assessment, an area that is less than the whole FMA is the area that will be certified - approximately 5.49 million ha. The areas excluded include 292,000 ha in the north-east of the FMA – in the area of active oil sands development within the FMA in areas under the overlapping MSL tenures, and the 1.1 million hectares of “donut holes” referred to in A above that are unproductive forest areas. The latter have been eliminated due to government policy that subtracts the “donut holes” from the official FMA area (normally for FSC, areas not being used for timber production, but within the boundaries of the official Forest Management Unit or FMU would still be considered part of the official certified area). The make-up of the certified forest area is shown in the following table.

<table>
<thead>
<tr>
<th>Land use</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural or Semi Natural</td>
<td>2,110,196</td>
</tr>
<tr>
<td>Productive Forest</td>
<td>2,959,802</td>
</tr>
<tr>
<td>Non-productive forest</td>
<td></td>
</tr>
<tr>
<td>Non-forest land (not incl. water)</td>
<td>34,749</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Water</td>
<td>162,122</td>
</tr>
<tr>
<td>Reserved areas (incl. Designated parks and Living Legacy areas)</td>
<td>222,604</td>
</tr>
<tr>
<td>Total Certified Area (Crown Managed Forest)</td>
<td>5,489,473</td>
</tr>
</tbody>
</table>

C. Annual Allowable Cut and/or annual harvest covered by management plan⁴

The total annual allowable cut that will come from the 5.49 million ha that will be the certified area within the FMA is expected to be 4,393,163 m³. However, Al-Pac has a legal right to cut, and has operational management control over, only 68.9% of this total volume from the certified area. This would be a volume of 3,027,204 m³, controlled by Al-Pac. This is the volume of wood that would be eligible for chain of custody (COC) certification at this time, based on the certification process that has occurred (further description below).

A number of other forest companies hold tenures that give them legal rights to cut and give them operational management control over the operations that produce the remaining volume from the FMA. These tenures provide a volume that is expected to be 1,365,959 m³ of coniferous and deciduous species that will not be eligible for COC certification at this time because Al-Pac either does not have a legal right to use the species, or does not control operations that produce them. This amounts to 31.1% of the total AAC from the certified area within the FMA.

This situation arises from the complex forest tenure situation in Alberta. These types of complex situations are explicitly considered and contemplated in the FSC Canada National Boreal Standard. This situation was analyzed in-depth and at length in Criteria 2.1 and 5.6 in Section 4 of this report. It must also be noted that the expected AAC has been submitted to the Alberta government for approval as part of the 2004 Forest Management Plan (FMP) for the FMA. However, the proposed AAC is under review by Alberta Sustainable Resource Development and, as of the time of this report, has not been approved. It is, therefore, subject to change.

This AAC of 3,027,204 m³ eligible for COC certification includes 2,244,495 m³ of deciduous species – primarily aspen – and 782,709 m³ of coniferous species – primarily white spruce and jack pine. The deciduous species go to the Al-Pac pulp mill and provide approximately 87% of the volume of deciduous species entering the mill from the FMA. Chips produced from the lumber production in these sawmills are delivered to the Al-Pac pulp-mill. The coniferous species are delivered to local sawmills for lumber production. The volume controlled by Al-Pac and eligible for COC amounts to approximately 42.9% of the coniferous species coming from the certified area of the FMA. The remaining conifer from the FMA enters many of the same sawmills, but the operational planning, harvesting, silviculture and other aspects of management are not controlled by Al-Pac and have not been assessed according to the requirements of the FSC National Boreal Standard (NBS).

⁴ All figures in this section were provided to the team by Al-Pac.
Note: This section will require review and possible change when the AAC numbers are finalized following government approval of 2004 FMP and confirmation from Al-Pac of the certified land area and associated volumes to meet Pre-condition 2.1 (see below for further discussion).

D. General description of details and objectives of the management plan/system

Al-Pac uses a triad approach to forest management. This approach involves:

- Establishment of protected areas as long-term benchmarks;
- Management of multiple use areas for sustainable forest management based on approximating natural disturbances; and,
- Intensive management of former agricultural land for production of wood fibre.

The intensive management areas are not within the FMA and are not part of the certified area and do not provide certified forest resources. As described in Criterion 6.4 in Section 4, Al-Pac is working to establish additional protected areas within the FMA. If the government agrees to establish these areas, they will be adding to the approximately 134,770 ha of provincial park and wildlands currently protected within the FMA5. In addition, there are several protected areas adjacent to the FMA and there is a semi-natural area close to the southeast corner of the FMA in the Cold Lake Air Weapons Range.

A primary objective of forest management on the FMA is to provide a sustainable supply of affordable deciduous and coniferous fibre to the Al-Pac pulp mill and the quota holders’ sawmills. Forest management is undertaken in accordance with two primary pieces of legislation (i.e., the Forest Act and the Public Lands Act), as well as the legal FMA between the company and the Alberta government, and the company’s government approved FMP.

In 2004, Al-Pac completed a detailed FMP for the FMA with the participation of the companies holding quota to the coniferous resources and many other interested parties. It is a plan for the whole net area of the FMA. It includes a set of 29 management objectives that are supported by detailed management strategies and targets and an active approach to adaptive management. Al-Pac has been a leader in developing management strategies and approaches which are derived from an understanding of the natural disturbance regime, dominated by frequent fires, both large and small in the boreal forest. The FMP is described in detail in Criterion 7.1 in Section 4.

Even-aged silvicultural systems are employed to manage boreal forest types on the FMA. Clearcutting with retention of 5% of the merchantable in-block trees is the prescribed silviculture system for deciduous and deciduous-leading forest types in the FMA. Al-Pac also retains 5% of the original trees within their coniferous and coniferous-leading cutblocks, but the quota holders retain only 1% of the volume in their coniferous blocks. The predominant harvesting systems are feller-bunchers and grapple skidders.

Renewal of deciduous sites is generally passive, with about 80% of sites relying on natural regeneration to restock the forest. Coniferous sites are generally planted to white spruce or pine.

5 In some of the protected areas, oil and gas exploration is permitted. Thus they do not meet IUCN criteria for protected areas. Source of information is 2004 FMP.
Mixedwood sites are either planted or left for natural regeneration. The company is experimenting with shelterwood harvesting of mixedwood sites where the conifer understory can be released when the deciduous overstory is removed.

Independent contracting businesses undertake all the harvesting, road building, trucking and silviculture activities. Al-Pac staff performs the planning, layout, operational supervision and monitoring of operations.

1.4 Environmental and Socio Economic Context

Environmental Context

The Al-Pac FMA is located in a Boreal Mixedwood forest that is characterised by deciduous forest types on uplands and conifer types in lowland areas. Historically, fire played a major role in the development of vegetation types across the landscape and many fires continue to occur on the FMA every year. Today, however, human activities of timber harvesting and oil and gas exploration and extraction compete with fire for the title of primary disturbance agents. Many fires occur every year and there are occasional very large fires.

Trembling aspen is the dominant species because of its ready regeneration after disturbance. It occurs in mixedwood forests with balsam poplar, white spruce, and balsam fir, typically with the coniferous species as understory species in young age classes. As stands age, the conifers dominate and form pure stands in older age classes.

On wet or dry sandy sites, conifers dominate with black spruce and tamarack on the wet sites and jack pine or lodgepole pine on the dry sandy sites.

The FMA supports an assemblage of flora and fauna typical of the northern boreal forest. There are 9 major tree species, 190 bird species, 47 mammals and 29 fish. Ungulates include moose, woodland caribou, white-tailed deer, mule deer, elk and bison. Woodland caribou and trumpeter swans are the only species that are considered “species at risk”. Moose and woodland caribou are focal species for management. Grizzly bears and wolverine are rare on the FMA. The many lakes and wetlands support a diversity of waterfowl.

Socio-economic Context

Timber harvesting and milling has been an economic base for local residents in the area over the past 50 years. A number of coniferous sawmills have been operating in the region since the mid-1950s. The area within the FMA also contains some of the world’s largest deposits of oil and gas and the value of the energy resources is enormous in comparison to the value of the renewable resources. Therefore, the energy sector has a major influence in the development and enactment of land use policy.

To the north, the City of Fort McMurray lies within the FMA boundaries. To the south the three major towns that lie near the mill site and the FMA boundary are Athabasca, Boyle, and Lac La
Biche. A significant percent of Al-Pac employees reside in these communities. The county in which the mill is located was historically one of the poorest in the province.

Several uses and users that pre-date the granting of the FMA to Al-Pac continue to co-exist on the land base. Seven different companies hold long-term quotas for coniferous fibre in the region and operate sawmills associated with these quotas. Smaller companies obtain short-term permits from Alberta SRD to cut coniferous timber on the FMA.

A number of guide-outfitters work within the FMA and recreational hunting is a major activity on the land-base. Spring bear hunts and fall big game hunts bring a significant influx of recreational users onto the land base. The southern portion of the FMA is located within 3 hours of Edmonton, a metropolitan area of 800,000 residents and the northern part of the FMA is virtually in the backyard of Fort McMurray, a rapidly growing community of nearly 45,000 residents, so recreational activities are extensive. As well, the entire FMA is covered by over 400 registered traplines, half of which are licensed to aboriginal people.

Aboriginal context

There are at least 15 aboriginal communities whose traditional territories are within the FMA and who have on-going interest in the land. The following First Nations are located within Al-Pac’s FMA:

- Bigstone Cree Nation (BCN). BCN is comprised of five communities: Wabasca/Desmarais, Calling Lake, Trout Lake, Peerless Lake and Chipewyan Lake;
- Fort McKay First Nation;
- Fort McMurray #468 First Nation;
- Chipewyan Prairie First Nation; and,
- Heart Lake First Nation.

Although located outside of the FMA, Al-Pac also recognizes Mikisew Cree First Nation and Athabasca Chipewyan First Nation as communities with traditional interests within the FMA.

Métis people in small communities throughout the FMA are members of the Métis Nation of Alberta (MNA). They are represented by MNA Zone 1 (on the east side of the FMA) or MNA Zone 5 (on the west side of the FMA). Al-Pac has developed working relationships with two Métis Settlements located outside the FMA. These are the Kikino and Buffalo Lake Metis Settlements.

There are other First Nations and Métis Settlements that are in the area surrounding the FMA but with whom Al-Pac was not formally working at the time of the assessment. These Aboriginal communities include: Beaver Lake Cree Nation, Cold Lake First Nation, Saddle Lake First Nation, East Prairie Métis Settlement, Elizabeth Métis Settlement, Fishing Lake Métis Settlement, Gift Lake Métis Settlement, Paddle Prairie Métis Settlement and Peavine Métis Settlement. It is possible that these communities may have traditional land use areas and a traditional interest within the FMA but the assessment team did not have contact with them. In
Principle 3 in Section 4, the team recommends that these communities be contacted during future annual audits.

The Aboriginal communities vary dramatically in the degree to which they rely on the land base for direct sustenance. Nearly every community retains ties to the land through hunting, fishing, trapping and gathering. Some are involved with Al-Pac in a variety of economic development ventures. These are described in Principle 3 in Section 4.

1.5 Products Produced and Chain of Custody

Chain of custody certificate

Al-Pac controls all aspects of the Chain of Custody (COC) for the deciduous species and the coniferous species that they hold the legal rights to on the FMA and that are harvested in cutblocks where Al-Pac plans and manages the harvesting operations. This amounts to approximately 87.2% of the deciduous cut from the certified area of the FMA (5.49 million ha) and 31.1% of the coniferous cut from the certified area.

After harvest, deciduous logs from Al-Pac’s cutblocks are trucked to the Al-Pac mill with a bar code that identifies the forest stand where the logs originated. This information is recorded at the weigh station in the mill yard. In addition, the trucker, volume (weight), and logger are also recorded. Coniferous logs from Al-Pac cutblocks are transported to sawmills and the same tracking system is used.

As described in Criterion 2.1 in Section 4, Al-Pac does not have operational control over some deciduous volume that enters their pulp mill from the FMA, or most of the coniferous volume that is cut on the FMA. Chain of custody is not provided for these species and volumes.

Species and volumes covered by the certificate

The species and volumes covered by the certificate include deciduous and coniferous species for which Al-Pac has both a legal right to use the resources and operational control over the actual harvesting and operational planning. As described in the second column of Table 1, under Criterion 2.1 in Section 4, this is a total volume of approximately 2,957,771 m³, or approximately 67.3% of the total annual cut from the certified area of the FMA (total area of 5.49 million ha). The certified volume of deciduous species is 1,803,905 m³ and the certified volume of coniferous species is 560,002 m³. If the FMP prepared by Al-Pac in 2004 is adopted without changes by ASRD, the certified volume could become 2,244,495 m³ for deciduous species and 782,709 m³ for conifers.

The deciduous species are approximately 85% aspen, over 14% poplar and less than 1% white birch. The coniferous species are approximately 62% white spruce, 30% jack pine and 8% black spruce. Based on the 2004 estimate, the approximate volumes from the certified area are as follows:
<table>
<thead>
<tr>
<th>Common name</th>
<th>Botanical name</th>
<th>Volume</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trembling Aspen</td>
<td><em>Populus tremuloides</em></td>
<td>1,900,000 m³</td>
<td>Pulp chips</td>
</tr>
<tr>
<td>Balsam Poplar</td>
<td><em>Populus balsamifera</em></td>
<td>340,000 m³</td>
<td>Pulp chips</td>
</tr>
<tr>
<td>White Birch</td>
<td><em>Betula papyrifera</em></td>
<td>20,000 m³</td>
<td>Pulp chips</td>
</tr>
<tr>
<td>White Spruce</td>
<td><em>Picea glauca</em></td>
<td>485,000 m³</td>
<td>Sawlogs, pulp chips</td>
</tr>
<tr>
<td>Black Spruce</td>
<td><em>Picea mariana</em></td>
<td>63,000 m³</td>
<td>Sawlogs, pulp chips</td>
</tr>
<tr>
<td>Jack Pine</td>
<td><em>Pinus banksiana</em></td>
<td>235,000 m³</td>
<td>Sawlogs, pulp chips</td>
</tr>
</tbody>
</table>

**Description of current and planned processing capacity covered by the certificate**

Al-Pac’s current processing capacity in their pulp mill is approximately 3,000,000 m³ of fibre a year of which 2,244,495 m³ (approx 75%) is expected to come from the certified land base within the FMA. The remainder of the raw material comes from a variety of sources, including oil exploration and development in the FMA, operations outside the FMA and coniferous chips from quota holders.

Four large companies and a number of small companies hold tenure rights to cut or receive coniferous timber on the FMA. They operate dimension lumber sawmills and a veneer plant, partly supplied from the FMA. Approximately 782,709 m³ of conifer wood from the certified land base of the FMA will be available for chain of custody certification if ASRD approves FMP as was presented by Al-Pac. This is 42.9% of the coniferous species cut annually on the certified area of the FMA.

Al-Pac, in accordance with their agreement with the provincial government, has been conducting a feasibility study every two years to analyse the potential benefits and costs of building a paper plant adjacent to the pulp facility. At present this is considered not to be economically viable.

**2. CERTIFICATION ASSESSMENT PROCESS**

**2.1 Assessment Dates**

The assessment of the Al-Pac FMA began in October 2000 with a scoping visit by a four-person SmartWood team. The team produced a comprehensive scooping report in November 2000 that identified a number of matters for Al-Pac to address in advance of a full assessment.

In May 2004, the team leader and SmartWood director Richard Donovan met with Al-Pac staff to review progress to meet the recommendations of the Scoping Report. They reviewed the complex forestry tenure situation in Alberta and discussed several possible options for a defined forest area for an assessment. Al-Pac asked that the assessment address the entire FMA land base of 5.78 million ha. Potential dates in November 2004 and the make-up of the assessment team were also discussed.
In August 2004, the team leader and forestry assessor met with Al-Pac staff and initiated detailed planning of the assessment and collection of documents. They developed a list of all the Aboriginal communities, government staff, interested persons and organizations for consultation and initiated the process of public notice. The forestry assessor worked with the Al-Pac staff to define sample populations, determine sampling intensity, identify candidate areas for field inspection and to specify the information requirements for each block to be visited in Al-Pac FMA.

SmartWood placed advertisements in four local newspapers and Al-Pac provided information to government, Aboriginal communities and its’ Forest Management Task Force. A notice was posted on the SmartWood website at the beginning of September 2004. Letters were written to the representatives of 15 First Nations and Métis communities in the region and to several tribal councils.

Notice of the assessment and a short questionnaire were mailed in September to approximately 200 individuals and organizations. Notices were also circulated by e-mail. Team members began to make phone and e-mail contact with Aboriginal communities, the Alberta Sustainable Resource Development (ASRD) department, and key community groups and organizations in early October. The team leader and SmartWood director had met with a government representative and some other key interest groups in May 2004.

Two weeks prior to the assessment, Al-Pac staff provided a very comprehensive set of documents showing how Al-Pac met each indicator and provided a detailed indicator-by-indicator summary in bullet form. Each assessor was provided with evidence binders containing these documents for each Criterion for which they were responsible. The Team Leader received a full set of eight evidence binders. Al-Pac also compiled a compact disc containing electronic copies of key documents for each assessor. Complete copies of the 2004 Forest Management Plan (including the timber supply analysis documents) were provided to two team members.

The active field and interview portion of the assessment was carried out between November 1 and November 12, 2004. All five assessors were present on site during this period. The forestry assessor and ecologist visited field sites between November 2 and November 8 accompanied by Al-Pac staff. The social assessor, First Nations assessor and team leader undertook numerous interviews and meetings with a wide variety of individuals during this assessment period. The complete list of interviewees is included in Appendix 2. An exit meeting for the field portion of the assessment was held in the Al-Pac office on November 12.

Observers from Alberta SRD, Canadian Parks and Wilderness Society, Alberta Wilderness Association, Al-Pac’s Forest Management Task Force and a University of Toronto researcher were present during the field-work and joined either the entry or exit meeting.

The team continued to receive documents and submissions from Al-Pac and organizations until November 30, 2005. Team members then turned to writing the assessment report.
2.2 Assessment Team and Peer Reviewers

**Keith Moore** – Team leader. Keith is a forester in BC and has worked in forest land management and environmental assessment in Canada and internationally, since 1976. Keith completed the SmartWood Lead Assessor training and has been involved with SmartWood and FSC certification since 2000. He has been a team member or team leader on nine previous SmartWood assessments and pre-condition audits in Canada, Russia and Australia. He coordinated the field-testing of three FSC regional standards: the NBS for Canada, the Ontario Boreal standard, and the BC standard. He also participated in field-testing the standards for the Komi Republic and is presently assisting with the development of FSC standards for Montenegro and Kenya. In 2000, he was a member of the Commission of Enquiry that investigated the approval of the FSC standards for the Maritime Region of Canada.

**Brenda Hopkin** – Forestry assessor. Brenda is a forestry graduate from the University of Alberta and a forester in BC. She has been working as a self-employed forestry consultant for the last 15 years. She provides services in forest management planning, legislation and certification. For the last 5 years she has specialized in Sustainable Forest Management (SFM), which includes work with SFM Criteria & Indicators as well as other forest certification systems (ISO, CSA, and FSC). Brenda’s services in certification include assisting groups understand and achieve certification, as well as serving as a certification assessor under both ISO 14001 and FSC. Her primary clients are forest companies in BC, the BC Ministry of Forests as well as the Government of South Africa.

**Tom Beckley** – Sociologist. Tom’s background is in Sociology (PhD) and Rural Sociology (M.Sc.). He is a professor in the Faculty of Forestry and Environmental Management at the University of New Brunswick where he teaches on social values in forest management, woodlot management, policy, certification and social aspects of adaptive management. His research focuses on social sustainability in resource management, forest dependent communities, public involvement, stakeholder values, and other social aspects of forest management. Tom is author or co-author of over 35 peer review journal articles, book chapters and government reports. Tom was a member of the SmartWood Scoping Assessment of the Al-Pac FMA in 2000. He was also a member of the Boreal Coordinating Committee that developed the National Boreal Standard.

**Shaunna Morgan** – Aboriginal assessor. Shaunna is a member of the James Bay Crees of Waskaganish and has experience living and working with First Nations from Labrador to the Yukon. She has completed forestry projects with Tribes in Oregon and Minnesota. Shaunna has a Masters of Science degree in botany from the University of Manitoba. Since January 2000, Shaunna has been employed at the Centre for Indigenous Environmental Resources as a lecturer and research associate and has delivered courses in the Environmental Education Training Program (EETP) and the Community Environmental Education department. She has worked on the development and delivery of an Environmental Assessment course for First Nations with a focus on integrating Indigenous Knowledge. Shaunna has completed the SmartWood Aboriginal Assessor training course and has been involved in two other SmartWood FSC assessments.
Per Angelstam – Per is an ecologist with a great interest in developing and applying ecological knowledge in practical ecosystem management especially in the boreal forest. He completed a PhD thesis on the population and community ecology of grouse (Tetraonidae) species in boreal forest in 1983 at the Department of Zoology at Uppsala University. He spent 4 years as research station director of the Swedish Environmental Protection Agency, and since 1992 has been senior research scientist at the Departments of Wildlife Ecology, and later Conservation Biology, at the Swedish University of Agricultural Sciences (SLU). Per has published extensively on forest biodiversity including a book and over 100 scientific papers and other publications. He has been involved in FSC certification in Russia.

Peer Reviewer #1 - A senior Ph.D level forest ecologist based in Ontario with over 30 years of experience and extensive experience as both an independent auditor and in reviewing FSC certification assessment reports. The peer reviewer participated in the process of developing the FSC Canada National Boreal Standard, and has extensive experience related to high conservation value forest reviews, applied forest management and ecology, and protected areas identification.

Peer Reviewer #2 – This peer reviewer has a degree in accounting and a Master’s degree in Environmental Studies. He is based in British Columbia and has over 15 years experience working with the ENGO environmental community. The peer reviewer has extensive experience with the FSC standard, both as a FM and COC auditor.

2.3 Assessment Process

The planning, field assessment, interviews and public consultation, and information collection phases and dates are described in Section 2.1.

Sites for Field Assessment

The forestry assessor, in consultation with the team ecologist, selected the sites for field assessment a month before the start of the assessment. The sites were selected to represent a sample of blocks with recent harvesting, road construction and silvicultural treatments, in different locations of the FMA, and reflecting the work of different contractors and subcontractors. The assessors determined the criteria for selection and the level of sampling. The forestry assessor made the final selection of sites during a trip to Al-Pac’s regional office with consideration of logistical efficiency. Following identification of areas to be visited, the assessors requested maps and detailed information, including plans and all related documents for each area. Al-Pac prepared a full set of information about each of the selected areas and provided these to the assessors prior to the field work.

In addition to detailed observations in each of the areas listed in Table 2.1, the assessors also observed harvesting, road construction and renewal practices along many kilometres of primary, secondary and tertiary road. Weather conditions were ideal during the field assessment.

Sites Visited by SmartWood Assessors for the Al-Pac FMA Assessment

Tuesday Nov 2 / 04   (68 -10 Area)
▪ FC06810432331 (90 ha) – Drive through / envirobridge / Vanderwell contractor
▪ FC06810420371 (102 ha) – Drive through
▪ FC06810433461 (34 ha) – Drive through with stream crossings (culverts)
▪ FC06810432561 (200 ha) – Main stop
▪ FC06810433271 (53 ha) – Drive through
▪ Vanderwell Block
▪ Piche Road (km 22) – multi-plate culvert / stream habitat restoration

**Wednesday Nov 3 / 04 (Conklin / Cowpar Area)**
▪ FA07709421281 (13 ha) – fire salvage harvest
▪ Bridge km1 on May River Road
▪ FA07903427841 (12 ha) – road reclamation
▪ FA07902429581 (20 ha) – current site prep
▪ FA07902417731 (60 ha) – finished site prep and planting
▪ Winifred River Bridge – km 37 on Cowpar road
▪ Bridge – km 21 on Cowpar road
▪ Bridge – km 17 on Cowpar road

**Thursday Nov 4 / 04 (Flight to Fort McMurray)**
▪ 68104 fly-over - aggregated harvest
▪ ISH seismic program fly-over
▪ Fire Salvage flyover (7710 / Waddel Road)
▪ Conoco - Phillips fly-over
▪ Township 86064 Stop (504391 E 6252573 N)  Nexen / Wellsite Reclamation
▪ Aurora minesite – refueling stop
▪ Gypsy Lake Wildland fly-over
▪ Millar Western (89054 area) – Older cutblocks from 1970’s and 80’s
▪ Township 97094 Stop
▪ Mclelland Lake
▪ FB09709415971 (41 ha) – stumpside processing stop
▪ Flyover of blocks in 97094 – spreading trials, ILM program
▪ Flyover Northlands blocks (91084 area) – harvested in approximately 1997

**Friday Nov 5 / 04 (Fixed-wing flight to Wabasca / Calling Lake / Lac la Biche)**
▪ Flyover 86134 / 86154 – Al-Pac and Millar Blocks (recent)
▪ Flyover Wabasca caribou study area with oil and gas infrastructure
▪ Flyover 83045 – Al-Pac blocks from past 3 years
▪ Flyover 82224 / 80224 – Al-Pac cutblocks (various ages)
▪ Calling Lake flyover – Understory Protection (strip cuts)

**Sunday Nov 7 / 04 (S7 Tour – PU 70254)**
▪ FC07124430471 (40 ha) – drive by with piles to burn
▪ FC07124421141 (22 ha) – current logging at time of visit

**Monday Nov 8 / 04 (Calling Lake Area)**
▪ Silviculture Operations
▪ Mixedwood Management Operations
Assessment of Principle 3

Principle 3 in the National Boreal Standard refers to “Indigenous peoples”, including First Nations and Métis people and communities. To assess Principle 3, the Aboriginal Assessor met with First Nations and Métis individuals and representatives of communities who we considered to have expressed an interest in the Al-Pac FMA through interaction in one way or another with Al-Pac.

The Aboriginal assessor conducted interviews or met with a total of 24 individuals representing eight First Nations, and met with the council of the Bigstone Cree First Nation. The team leader joined the Aboriginal assessor in meeting with the council of the Bigstone Cree First Nation and a number of members from that community. The socio-economist met with economic development staff in two First Nations.

The Aboriginal assessor also met with 8 Métis people representing the Kikino community, Zone 1 and Zone 5 of the Métis Nation of Alberta and the Métis General Council.

2.4 Standards


2.5 Stakeholder and interest group consultation process and results

A wide variety of interest groups, and public, as well as Al-Pac staff, employees and contractors were consulted during the course of the assessment. Public consultation was initiated by mailing out a public notification about the assessment of the Al-Pac FMA and a survey to about 200 different individuals and organizations. The survey asked stakeholders about their interest(s) in the forest; their perspective on the management of the forests and Al-Pac’s commitment; major issues and concerns; and, any specific sites in the forest to examine. A public notice providing the name, phone and fax numbers and e-mail address of the team leader and social assessor was placed in three local newspapers and notices about the assessment were distributed by e-mail and posted on websites. Comments and submissions were invited.

Along with the mailing of notices, personal phone calls and e-mails were made to a number of people to arrange interviews.

The assessment team does not consider Aboriginal people and communities to be “stakeholders” in the way that interest groups, organizations and the general public are considered to be “stakeholders”. The team engaged in a separate notification and consultation process with First Nations and Métis as described above in Section 2.3.2. However, for the purpose of describing

6 As explained in Principle 3 in Section 4, we have used the terms “Aboriginal peoples” and Aboriginal communities” as they are used in Alberta.
the number of individuals and organizations interviewed during the assessment, First Nations and Métis are included here.

In total, 106 people including Al-Pac staff, government officials, First Nations and Métis representatives and a wide range of interest groups and stakeholders were interviewed during the course of the assessment. These included 9 Al-Pac contractors, 7 members of the Forest Management Task Force and the facilitator, 6 representatives of environmental organizations, 7 representatives of 4 quota holders, 24 First Nations people from 8 First Nations communities, 8 Métis and 4 staff of the Alberta Sustainable Resource Development (ASRD) in 3 districts. A full list of all the people interviewed is included in Appendix 1.

We received a total of thirteen responses to the survey. Overall, respondents had mostly good things to say about Al-Pac. Eight of the thirteen rated Al-Pac’s overall performance as excellent. Three rated them good, and two adequate. There were no respondents who gave a “poor” score. As well, the majority of respondents said that they did not have specific concerns with respect to Al-Pac’s woodlands practices. The only detailed negative comments were provided by one of the quota holders. Their concerns echoed what the team heard in the face-to-face interview. The quota holder’s comments expressed frustration at their relationship with Al-Pac and the power imbalance that they see between Al-Pac and themselves. They also claimed to have seen some rutting and waste (poor utilization of wood). Among those rating Al-Pac with excellent overall performance were a trapper, an ENGO member and a snowmobile club representative.

Virtually all the respondents claimed that Al-Pac was very responsive and accessible. With the exception of the quota holder, they had been happy with the response that had received from Al-Pac.

Overall, very few people identified specific sites for the audit team to examine. Two respondents referred to somewhat strained relations between Al-Pac and other users of the land base, notably oil and gas companies and the quota holders.

In addition, the team received 3 written submissions from environmental NGO’s. We also received a letter from another environmental NGO supporting the written submission from the others. These issues raised by these organizations included cumulative impacts related to overlapping tenures, Al-Pac’s lack of control over access to the FMA, lack of protection for caribou, an inadequate network of protected areas, slash management, site preparation, and riparian buffers. These are all discussed in Section 4 and addressed under several criteria in Principles throughout the report.

The team held 3 public meetings – in Lac la Biche, Athabasca, and Fort McMurray. A total of 15 people attended these meetings and spoke with the assessors about a variety of issues. Overall, most people at the meeting had positive experiences with Al-Pac and found them accessible and forthcoming with information.
2.6 Report Preparation

Report writing began in December 2004. Following the completion of interviews and information gathering, each assessor prepared findings for each of the individual indicators in the FSC Canada National Boreal Standard in their areas of responsibility. These notes were collected in a Findings Table for each indicator. The assessor then used notes from the Findings Table to write a summary of the findings at the criterion level. Based on that summary, the assessor proposed a single score for the criterion and drafted pre-conditions, conditions or observations, as warranted by the score.

The team leader reviewed a draft of findings and scores prepared for each criterion and drafts were circulated to all team members for comment. The team discussed each score as a group and adjusted the score, if appropriate, following discussion. The score was decided first, and then used to determine, according to the direction in the Assessor Manual, whether a "condition" or "pre-condition" was required. The team closely reviewed the draft pre-conditions, conditions and observations to arrive at agreed wording.

The team did not score indicators, or assign weights to individual indicators. Each indicator was assessed but scoring was done at the criterion level, as described in the SmartWood Assessors Manual. The score simply reflects the judgement of the team about performance to meet a Criterion. It reflects a general averaging of the highs and lows between the indicators in the Criterion but is not based on a mathematical average of individual scores or assignment of weight to any individual indicators.

A first draft of the Assessment Report including findings, scores and any pre-conditions, conditions or recommendations for all of the criteria was reviewed by SmartWood and then provided to Al-Pac for review and comment. The Findings Tables prepared by each assessor at the indicator level were not provided to Al-Pac.

Comments received from Al-Pac were reviewed by each assessor and discussed with the team leader. The team leader and assessors then decided on appropriate additions and changes to the text, and paid particular attention to requested changes to pre-conditions, conditions and observations. Revisions to the wording for pre-conditions, conditions and observations were agreed between the team leader and assessors. A final draft of the report from the assessment team was delivered to SmartWood and Al-Pac for external peer review.

The final draft report was reviewed by two independent peer reviewers as per FSC policy. The peer reviewers conducted a very thorough review of findings and conditions and made specific comments that SmartWood took into consideration to improve the overall quality of this report. A number of findings were clarified and conditions modified by SmartWood headquarters to address the issues raised by the peer reviewers and further stakeholder input.

---

7 The Findings Tables are the assessor’s working papers. Completed tables are provided to SmartWood but are not available for public review.
## 3.0 RESULTS, CONCLUSIONS AND RECOMMENDATIONS

### 3.1 General Discussion of Findings by FSC Principle

<table>
<thead>
<tr>
<th>Principle</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| **P1: FSC Commitment and Legal Compliance** | - Good record of compliance with requirements of legislation;  
- Regular tracking of requirements and well informed staff;  
- EMS system for inspections and audits;  
- Prompt response to any identified problems; Corrective actions tracking system;  
- Prompt payment of applicable fees, royalties, taxes and other charges;  
- Conformance with international environmental agreements;  
- Corporate commitment to FSC and participation in standard development. | - Few possible incidents of non-compliance recently;  
- Lack of awareness of ILO requirements for workers rights to organize. |
| **P2: Tenure & Use Rights & Responsibilities** | - Long term tenure;  
- Responsibility for preparing FMP;  
- No major disputes with other forest users. | - Lack of legal control over forest management activities, interactions with communities and impacts on forest resources by other forest companies with legal rights and the oil and gas sector;  
- Lack of control over others’ activities to achieve objectives of management plan. |
| **P3 – Indigenous Peoples’ Rights** | - Aware of current status of treaty and legal obligations;  
- Staff are well-informed and dedicated and include people of aboriginal descent.  
- Significant economic development assistance to Aboriginal communities;  
- Support for capacity building, training and education;  
- Agreements in place with several businesses;  
- Signatory to agreements with several First Nations;  
- Strong relationships with Metis communities;  
- Solid hiring record in the pulp mill:  
- Very active program with trappers including trapper compensation program;  
- A lack of formal disputes;  
- Protection of Identified cultural sites of interest; | - Lack of agreements related to forest management planning;  
- Frustration in some First Nations communities with communication and consultation;  
- Sense of Al-Pac domination in relationships with First Nations;  
- Communities not satisfied with benefits received from agreements;  
- Incomplete Aboriginal strategy;  
- Lack of consultation on FMP; inconsistent and ineffective Aboriginal participation on Forest Management Task Force;  
- Negative impacts of harvesting on traditional resources;  
- Incomplete assessment of traditional resources; Little work on traditional ecological knowledge;  
- No policy or procedure for dispute resolution if they did occur. |
<table>
<thead>
<tr>
<th>P4: Community Relations &amp; Workers’ Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• History of interest in and support for work with Aboriginal communities.</td>
</tr>
<tr>
<td>• Strong local employment; Very little migrant labour;</td>
</tr>
<tr>
<td>• Excellent local procurement practices;</td>
</tr>
<tr>
<td>• Strong training and health and safety policies;</td>
</tr>
<tr>
<td>• Low accident rates;</td>
</tr>
<tr>
<td>• Generous donations and community support program;</td>
</tr>
<tr>
<td>• Long-term relationship with contractors and workers on the forest;</td>
</tr>
<tr>
<td>• Long standing commitment to Forest Management Task Force.</td>
</tr>
<tr>
<td>• Burden of technological change and extensive training on contractors;</td>
</tr>
<tr>
<td>• Limited opportunity for public participation in FMP outside of Task Force;</td>
</tr>
<tr>
<td>• Weak aboriginal participation and no ENGO participation in Task Force;</td>
</tr>
<tr>
<td>• No socio-economic impact assessment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>P5: Benefits from the Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong financial footing;</td>
</tr>
<tr>
<td>• Strong commitment to sustainable management;</td>
</tr>
<tr>
<td>• Broad range of investments in research and monitoring</td>
</tr>
<tr>
<td>• Wood is processed locally;</td>
</tr>
<tr>
<td>• Good record of compliance with respect to the utilization of marketable timber;</td>
</tr>
<tr>
<td>• Good work to avoid damage to sites and residual trees;</td>
</tr>
<tr>
<td>• Efforts to support and complement local businesses;</td>
</tr>
<tr>
<td>• Provides economic development assistance to aboriginal communities;</td>
</tr>
<tr>
<td>• Comprehensive and fully spatial timber supply analysis based on current inventory, data and new modelling and approaches</td>
</tr>
<tr>
<td>• Lack of value-added and finished products;</td>
</tr>
<tr>
<td>• Absence of net downs to reflect all of the requirements of the NBS;</td>
</tr>
<tr>
<td>• Lack of control over AAC cut control of Quota Holders;</td>
</tr>
<tr>
<td>• Lack of control of impacts to AAC and landbase fragmentation due to the oil and gas sector activities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>P6: Environmental Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assessments are based on adaptive management;</td>
</tr>
<tr>
<td>• Good attempts to integrate assessments with quota holders, energy sector and government;</td>
</tr>
<tr>
<td>• Leadership of cumulative effects studies;</td>
</tr>
<tr>
<td>• Extensive inventories;</td>
</tr>
<tr>
<td>• Good assessments to determine species at risk on FMA. Good habitat information about S.A.R.;</td>
</tr>
<tr>
<td>• Strong support for research and monitoring on woodland caribou;</td>
</tr>
<tr>
<td>• Measures in place for trumpeter swans;</td>
</tr>
<tr>
<td>• Sites of cultural significance recognized;</td>
</tr>
<tr>
<td>• Weak characterization of pre-industrial condition;</td>
</tr>
<tr>
<td>• Lack of external review of background assumptions about pre-industrial condition and natural disturbance patterns and lack of concise public reporting about pre-industrial condition;</td>
</tr>
<tr>
<td>• Strategies for protection of woodland caribou are vague and not precautionary;</td>
</tr>
<tr>
<td>• No analysis of current representation of forest communities relative to pre-industrial condition and no analysis or plans for under-represented communities;</td>
</tr>
<tr>
<td>• Weak monitoring of actual amount of</td>
</tr>
</tbody>
</table>
- Background work on fire disturbance regimes and pre-industrial forest condition;
- Strong commitment to management approach based on understanding on natural disturbance, especially fire, regimes within FMA;
- Assessments at stand level prior to operations;
- Forest cover, wood supply and other important values are spatially depicted on maps and in timber supply analysis;
- Site level plans include prescriptions to protect values and avoid damage to sites;
- Objectives and strategies to maintain old forest age classes;
- Strategy to retain residual structure within and adjacent to cutting areas;
- Burned habitat is retained in fire salvage;
- Comprehensive approach to access management and commitment to integrated access planning with other users;
- Reserves along streams and wetlands meet NBS requirements;
- Actively seeking to expand integrated landscape management with energy sector and quota holders;
- Sophisticated gap analysis of ecological representation completed with ENGOs and candidate areas to complete representation identified;
- Deferral of areas to maintain options for protection;
- Seeking to move three candidate sites to full protection;
- Generally complete Standard Operating Procedures;
- Good system of supervision, inspection and follow-up monitoring of operational cutting areas;
- Al-Pac does not use herbicides except for control of noxious weeds on roadsides and supports use of non-chemical alternatives;
- Comprehensive directions for fuel and waste handling. No evidence of on-site problems;
- No biological control agents;
- Al-Pac is working co-operatively with other users in a serious attempt to reduce conversion and minimize structural retention after logging within cut areas, and no clear description of retention within or between cut areas in landscapes;
- Very limited actual control on road construction and use by other users, particularly energy sector;
- Ability to influence cumulative impacts associated with other land uses is limited;
- No resolution on issue of what is adequate representation for NBS;
- Lack of external review of Gap Analysis report;
- Al-Pac proposed deferral areas are less than area of completed representation option in Gap Analysis report;
- Cutting of coniferous forest by quota holder continues within river valleys of Athabasca and Clearwater Rivers.
- Some gaps in Standard Operating procedures, particularly related to protection for cultural sites not previously identified but encountered during operations;
- Slash management by windrowing does not meet NBS or follow guidance in Standard Operating Procedures;
- Al-Pac does not control or monitor herbicide use by quota holders or energy sector;
- Al-Pac has limited control over extent and type of conversions by other users, particularly energy sector.
### P7: Management Plan

| Complete and well organized FMP with thorough descriptions of most resources; | Lack of opportunity for public review and comment on FMP; |
| Comprehensive framework of goals, objectives, strategies and targets supported by monitoring and new scientific or technical information; | Reliance on Task Force for public participation in process; |
| Strong commitment to training employees and contractors; active supervision. | Lack of socio-economic impact consideration in plan; |
| **Lack of opportunity for public review and comment on FMP;** | Lack of strategies to address High Conservation values; |
| **Reliance on Task Force for public participation in process;** | Lack of public summary of plan. |

### P8: Monitoring & Assessment

| Comprehensive framework for monitoring built into FMP; | No regular public summary of monitoring results. |
| Strong support for Al-Pac’s own research and monitoring and for multi-party, large landscape programs; | |
| Broad range of monitoring in support of an adaptive management approach; | |
| Operational plans responsive to monitoring; | |
| Bar code tracking of origin of every load of logs will allow CoC | |
| **No regular public summary of monitoring results.** | |

### P9: Maintenance of High Conservation Value Forest

| Three very complete and comprehensive assessments of High Conservation Values; | Inadequate consultation with First Nations re HCV 5 and 6; |
| HCV assessments follow national framework for all 6 categories of HCV; | No reference to management for HCV in FMP; |
| Extensive consultation, especially for the two biological assessments; | Weak strategies for woodland caribou and old forests and no strategies for social and cultural values; |
| Management strategies included; | No specific monitoring programs in place yet. |
| Very thorough external review of the two biological reports. | |

### P10: Plantations

| No plantations | None |

### 3.2 Certification Decision

Based on a thorough field review, analysis and compilation of findings by this SmartWood assessment team, approximately 5.49 million ha of the FMA is recommended to receive joint FSC/SmartWood Forest Management Certification. Approximately 1,803,905 m³ of deciduous species and 560,002 m³ of coniferous species are recommended to receive Chain of Custody (FM/COC) Certification. These certifications require successful completion of the one pre-condition[^10] listed below. These volumes represent the actual legal right to forest resources.

---

[^9]: This is the volume associated with the 2000 FMP which AlPac is legally entitled to at this time. This number includes the volume from oil sands. AlPac has provided the oil sands volume that will be excluded from the certified volume following adoption of the 2004 FMP.

[^10]: Evidence to satisfy pre-condition was provided prior to Decision process (see appendix 3).
available to Al-Pac and will be revised following ASRD’s approval of the new FPM and AAC level.

In order to maintain certification, the Al-Pac FMA will be audited annually on-site and required to remain in compliance with the FSC principles and criteria and the National Boreal Standard for Canada. Al-Pac will also be required to fulfil the conditions as described below. Experts from SmartWood will review continued forest management performance and compliance with the conditions described in this report during annual scheduled audits and random audits.

3.3 Pre-conditions, conditions and observations

Pre-condition

There is one Pre-condition to certification as follows:

**Pre-condition 2.1:** Prior to certification, Al-Pac shall:

1. Provide SmartWood with a map to describe the area of the oil sand mine developments (an area of approximately 292,000 ha) to be excluded from the certificate.

2. Clarify the exact area of forest Al-Pac wishes to certify within the remaining 5.49 million ha of the FMA, and confirm the volume and species of forest resources which it has a legal right to utilize, and management control over operational planning, consultation and the forest practices associated with producing those resources.

**Evidence was provided to satisfy this pre-condition:** Al-Pac presented evidence required to lift this pre-condition before decision process was finalized (see appendix 3). A map describing the 292,030 ha of oil sand mine developments to be excluded from the certificate was presented on August 24, 2005. A spreadsheet presenting the areas of forest Al-Pac wishes to certify within the FMA and the volumes and species associated with these areas was presented on May 5, 2005, along with management control and consultation practices associated with those resources.

Conditions

There are 23 Conditions as follows:

**Condition 2.1a:** By the end of Year 3 of certification, Al-Pac shall have completed assessments of the opportunities for restoration of oil and gas developments (including roads, well sites, seismic lines and abandoned camp sites), identified restoration priorities, and begun to implement a long-term plan to implement any identified measures that will reduce cumulative impacts.

**Condition 2.1b:** By the end of Year 1 of certification, Al-Pac shall continue to engage energy companies and the government to increase awareness and adoption of Integrated Landscape Management principles and shall:
1. Develop a strategy to annually increase the percentage of oil and gas operations (excluding low impact seismic lines) that are within the integrated land management planning program; and,
2. Establish a target that, by the end of Year 5 of certification, will have significantly increased the percentage of oil and gas operations (excluding low impact seismic lines) in the certified area of the FMA that are within an integrated land management planning program.

**Condition 2.1c:** By the end of Year 1 of certification, Al-Pac shall seek the participation and support of Quota Holders, energy companies and government to increase the certified area and the volume of certified forest resources within the FMA that is FSC certified. The results of these efforts shall be documented.

**Condition 3.1a:** By the end of Year 2 of certification, Al-Pac shall have:

1. Met with elected representatives of all Aboriginal communities and organizations within and surrounding the FMA and ask if they have traditional interests in the FMA;
2. Discussed communication issues with those that have expressed traditional interests; and,
3. Implemented strategies to improve on-going communications about the communities’/organizations’ interests related to forest lands and their interests in forest economic development activities.

**Condition 3.1b:** By the end of Year 2 of certification, Al-Pac shall report on efforts to conclude agreements with interested Aboriginal communities and organizations within the FMA area. Al-Pac shall document efforts to include forest management planning within the agreements. Agreements are not intended to abrogate or derogate from their Aboriginal and Treaty Rights.

**Condition 3.2a:** By the end of Year 2 of certification, Al-Pac shall offer in writing to work with all Aboriginal communities within and surrounding its FMA that have expressed a traditional interests within the FMA, to identify and map the traditional land use boundaries according to the Aboriginal community’s governing body.

**Condition 3.2b:** By the end of Year 2 of certification, Al-Pac shall report on progress in relation to the following:

3. Support for traditional land use studies with Aboriginal communities and organizations with an interest in the FMA area; and,
4. In association with the communities/organizations, complete joint assessments of the impacts of forest management on traditional resource harvesting; and,
5. Find additional ways to minimize the impact of harvesting activities on traditional resources, particularly trapping.

**Condition 4.4a:** By the end of Year 2 of certification, Al-Pac shall:

1. Establish a new or improved process for representatives of Aboriginal communities, interested public groups and organizations, contractors, ENGOs, the public and others to
provide significant input into forest management planning for the FMA, either by reorganizing and reforming the Task Force, or by creating new public participation initiatives;
2. Document the input provided about the Forest Management Plan, including the Timber Supply Analysis, through this new or improved public participation process; and,
3. Address any significant new information or concerns about the 2004 Forest Management Plan, including the Timber Supply Analysis, identified through this public participation process.

**Condition 4.4b:** By the end of Year 2 of certification, Al-Pac shall complete an assessment of the socio-economic impacts of its forest management activities. The assessment shall include a framework that allows for regular reporting and updating of this information.

**Condition 5.6 a:** By the end of Year 3 of certification, Al-Pac shall review the timber supply analysis to ensure that it reflects land base reductions, including those for protected areas, management strategies and operational practices that are in place to meet the requirements in the NBS, for each applicable FMU, and make adjustments if necessary.

**Condition 5.6b:** By the end of Year 1 of certification, Al-Pac shall begin monitoring and reporting actual harvest rates compared to planned harvest rates and approved annual allowable cuts for all deciduous and coniferous forest resources in the FMA.

**Condition 6.1:** By the end of Year 1 of certification, Al-Pac shall:

1. Complete a report which provides a characterization of the pre-industrial forest condition and addresses all the requirements of Indicator 6.1.5 and provides information relevant to deciduous and coniferous forest types; and,
2. Make the report available for peer and public review.

**Condition 6.2:** By the end of Year 1 of certification, Al-Pac shall:

1. Develop and implement specific and measurable management strategies to demonstrate a precautionary approach to protection of woodland caribou; and,
2. Develop a monitoring program that will assess the effectiveness of these management strategies.

**Condition 6.3:** By the end of Year 1 of certification, Al-Pac shall:

1. Implement a tracking and analysis procedure for quantifying the residual stand structure that meets the requirement of NBS Indicator 6.3.10; and,
2. Demonstrate that Al-Pac meets the target of 10-50% retention by area consistent with NBS requirements.

**Condition 6.4a:** By the end of Year 1 of certification, Al-Pac shall obtain an independent review of the draft Gap Analysis and the relative effectiveness of the options laid out within the document for achieving effective ecosystem representation, with a specific focus on addressing
the effectiveness of representation for ecosystems found within the Athabasca and Clearwater river valleys.

**Condition 6.4b:** By the end of Year 1 of certification, Al-Pac shall document progress in terms of permanent protection of ecological benchmark areas within the Al-Pac FMA area. Al-Pac shall have worked with the provincial government, First Nations, the forest and energy industries and ENGO’s to achieve the protection of the Gypsy-Gordon, Athabasca Rapids and Lakeland deferral areas.

**Condition 6.4c:** By the end of Year 2 of certification, if the results of the independent review of the Gap Analysis show ineffective representation, based on further consultation with stakeholders (e.g. NGOs, other quota holders and government), Al-Pac shall develop a strategy to achieve more effective ecosystem representation within the FMA.

**Condition 6.5:** By the end of Year 2 of certification, Al-Pac shall revise its OGRs and implement practices to reflect the NBS requirement for slash management specifically to minimize the loss of productive land and be consistent with the guidance provided in the 2004 FMP that the distribution of slash and coarse woody debris should resemble undisturbed forest conditions.

**Condition 6.6:** By the end of Year 1 of certification, Al-Pac shall:

1. Monitor and report on the type, extent and frequency of use of chemicals by quota holders in forestry and roadside weed control programs and establish a baseline for assessing future trends in on-going use;
2. Establish a target and initiate programs with quota holders to reduce the use of chemicals used in forestry and roadside weed control programs on the FMA over the life of the certificate;
3. Ensure that there is no use of prohibited chemicals; and,
4. Work with quota holders to meet these requirements.

**Condition 7.4:** By the end of Year 1 of certification, Al-Pac shall prepare and make widely available a summary of the important elements of its 2004 forest management plan, including a summary of the results of Al-Pac’s monitoring programs and a statement about High Conservation Values on the FMA.

**Condition 9.1a:** By the end of Year 2 of certification, Al-Pac shall complete the assessment of Category 5 and 6 HCVs, including consultation with Aboriginal and non-aboriginal people and external peer review, and integrate those values with the Category 1 through 4 HCVs to provide a concise statement of HCVs on the FMA.

**Condition 9.1b:** By the end of Year 2 of certification, Al-Pac shall identify and begin to implement specific management strategies that will be implemented to protect the identified attributes in each High Conservation Value Forest.
**Condition 9.4:** By the end of Year 3 of certification, Al-Pac shall, in collaboration with ASRD and other interested parties, implement a monitoring program to assess the effectiveness of management measures for HCVs that are affected by or likely affected by Al-Pac’s management activities on the forest. The monitoring program may encompass monitoring already in existence.

**Observations**

The team made the following 12 Observations:

**Observation 1.3:** Al-Pac should ensure that appropriate Human Resource staff are aware of, and understand, the ILO Conventions in relation to their responsibilities and the implications of the international agreement.

**Observation 2.3:** Al-Pac should consider developing a corporate dispute resolution policy that reflects the requirements of the National Boreal Standard and potential situations that might arise. A dispute resolution policy should outline the corporate approaches to disputes involving legal or customary tenure or rights holders, and guide the resolution of any future disputes that may develop. Al-Pac should also maintain a formal register of disputes, even if the portfolio is empty.

**Observation 3.1a:** Al-Pac should include pertinent information about the Aboriginal communities with regards to forest management in the community profiles, including incorporating information already within the company, specifically the knowledge held by key individuals at Al-Pac.

**Observation 3.2:** With the permission and participation of all the Aboriginal communities with traditional lands within and surrounding the FMA, Al-Pac should develop a comprehensive GIS layer that identifies traditional land use areas within and surrounding the FMA and then planners should be directed to use this source of information.

**Observation 3.3:** Al-Pac should provide ongoing cultural respect and sensitivity training, workshops and/or activities for all Al-Pac staff.

**Observation 3.4:** Al-Pac should develop a policy for the compensation of any traditional knowledge that results in the commercial use of a forest species, in particular non-timber forest products, or in the improvement of a management plan or the improvement of operations.

**Observation 4.1** Al-Pac should co-ordinate all its’ community support activities through the Community Relations Business Unit and continue to focus its’ philanthropic efforts on capacity building in the local region.

**Observation 6.2:** Al-Pac should continue to support work to determine the distribution and abundance of wolverine and grizzly bear within the FMA to determine if critical habitat for these species exists and can be identified.
Observation 6.4: Al-Pac should consider encouraging the government to complete the Lakeland Provincial Park Management Plan, and supporting an assessment of the Cold Lake Air Weapons Range.

Observation 6.5: Al-Pac should provide clear written direction within the OGRs that address the gaps with the requirements of Indicator 6.5.1, and should ensure that the OGRs are consistent with the newly approved FMP.

Observation 8.2: Al-Pac should investigate opportunities to develop monitoring programs for a wider range of species and ecosystems.

Observation 9.1: Al-Pac should review the biophysical survey report of the Crooked Lake watershed and determine if this area has High Conservation Value.