Forest Management Public Summary

for

Northshore Forest Inc.

Certification Code: SW-FM/COC-1544
Date of Certification: June 15, 2005
Date of Public Summary: June 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:

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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.
INTRODUCTION
This report presents the findings of an independent certification assessment conducted by a team of specialists 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 management of the Northshore Forest by Northshore Forest Inc. (NFI). The field portion of the assessment was carried out in October, 2004. The assessment was based on the Forest Stewardship Council (FSC) Canada Working Group National Boreal Standard (Version 3.2) which was accredited by the Board of FSC in August 2004. In addition, some components of the Standards for the Great Lakes-St. Lawrence Forests of Ontario and Quebec (March 2004 Draft) were incorporated into the review. This aspect of the review is discussed in more detail in Section 2.3 of this report.

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, 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: Northshore Forest Inc.
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Fax: 705-869-2966
E-mail: Phil.Bunce@domtar.com

1.2. General Background

The Northshore Forest is a large forest management unit in north-central Ontario. The forest encompasses approximately 1.25 million ha, of which approximately 923,000 is managed crown forest; the remainder is private land, or in parks or unmanaged Crown land. The forest is located on the north shore of Lake Huron, approximately between the communities of Thessalon to the west, and Espanola to the east. At its broadest, the forest extends approximately 150 km north of the Lake Huron shore.

The forest encompasses portions of the Boreal forest region, the Great Lakes-St. Lawrence forest region, and the transition zone between the two.
Tenure for management of the Northshore Forest is held by Northshore Forest Inc. (NFI) under a Sustainable Forest Licence (SFL) granted by the Ontario Ministry of Natural Resources (hereafter referred to as “the Ministry” or MNR). NFI is owned by four shareholders: Domtar Inc., St. Marys Paper Ltd., Midway Lumber Mills Ltd., and Northshore Independent Forestry Association Inc. (NSIFAI). Domtar, Forest Products Group, manages the forest under contract to NFI and is responsible for the design and delivery of the forest management program of the SFL.

The SFL grants NFI the right to harvest all tree species and manage the Northshore Forest based upon the laws of Ontario and is regulated through the forest management planning process. Tenure is granted for a 20-year period and is renewable every five years contingent upon the successful completion of an Independent Forest Audit (IFA) as required by Ontario’s Crown Forest Sustainability Act.

NFI exists solely to hold the SFL for the Northshore Forest. With the exception of NSIFAI, the corporate shareholders all have substantial interests outside the Northshore Forest. NSIFAI is a consortium of independent forest operators formed specifically to have a share in the ownership of NFI. The largest shareholder in NFI, Domtar Inc. is a large multi-national integrated forest products company, headquartered in Montreal, Canada.

The relationship between Domtar and NFI allows NFI to benefit substantially from Domtar’s significant infrastructure. For example, Domtar’s staff biologist also provides professional services to NFI, NFI is able to stay attuned to changes in relevant laws and policies through Domtar’s legislative tracking system, and Domtar’s interest in the FSC National Boreal Standard has facilitated NFI’s involvement in the FSC certification.

Most of the planning-associated components of this assessment were based on the content of the Draft 2005 Forest Management Plan for the Northshore Forest. This Draft plan is a well-developed document, containing all the text and components of a complete Forest Management Plan. The Draft 2005 Plan is much more contemporary than its predecessor 2000 plan and addresses many issues covered in the FSC standards. It was developed according to the rigorous process identified in Ontario’s Forest Management Planning Manual and has been submitted to the Ontario Ministry of Natural Resources for final approval. It is expected that, if there are substantial changes in the Draft Plan as a result of MNR’s final review of the document, that these will be incorporated into FSC’s annual audits. A note to future audits in this regard has been included in this assessment.

A. Type of Operation

The Northshore Forest is a regionally important source of forest products. Harvested fibre is projected to supply (according to the 2005 Draft FMP) 10 mills in several central-Ontario communities including Espanola, Nairn Centre, Thessalon, Englehart, and Sault Ste. Marie.
The 2000 FMP, under which the forest is presently being managed, forecasts an annual harvest of 672,080 $m^3$/year for the first five years of the plan over an area of 8,953 ha/year. The draft 2005 FMP forecasts a harvest of approximately 770,000 $m^3$/yr. Of this amount 37% is forecast to be sawlogs, 27% is forecast to be pulpwood, 20% is forecast to be non-veneer aspen and SPF logs, and the remainder (approx. 16%) is forecast to be veneer, oriented strandboard, plylogs and other products. The shareholder mills of NFI - Domtar Inc, St. Marys Paper Ltd, and Midway Lumber Mills - are forecast to receive the greatest volumes (50% ; 20% and 10% respectively).

Harvesting in the boreal portion of the unit is predominantly accomplished using the clearcut silvicultural system, although considerable structure will be retained according to the standards identified in the Natural Disturbance Pattern Emulation Guide\(^2\). Harvesting in the Great Lakes-St. Lawrence portion of the forest is accomplished primarily through a mix of selection and shelterwood harvesting depending on the forest units being harvested. Harvesting in the transition zone is either clearcut, shelterwood, or selection, depending on the forest units. Regeneration of harvested areas is planned prior to harvest and monitored to ensure that specific regeneration standards are achieved.

B. Years in operation

The Licence for the Northshore Forest came into effect on April 1, 1998. The Mississagi management unit and the Spanish River management unit were amalgamated April 1, 2000. Both of the former units were managed by the MNR as Crown Management Units prior to the formation of the Northshore Forest.

C. Date First Certified: June 15, 2005

D. Latitude and longitude of certified operation

The Northshore Forest is “L” shaped and so has no readily-definable centre. Nonetheless, it’s approximate midpoint is 46.6 degrees north latitude, 83 degrees west longitude. At its broadest dimensions the forest extends approximately from the town of Thessalon in the west to the town of Espanola in the east, and from the north shore of Lake Huron in the south to approximately 150 km south of Chapleau in the north. Figure 1 shows the location of the Northshore Forest relative to nearby centres of population and other forest management units in Ontario.

1.3. Forest and Management System

A. Forest type and land use history

The northern boundary of the Northshore Forest is associated with a diffuse transition between the Great Lakes-St. Lawrence Forest Region and the Boreal Forest Region. Approximately 30% of the NF is contained within the Great Lakes-St. Lawrence Forest Region, and approximately 70% of the unit is contained within the Boreal Forest Region, which is found in the northern part of the unit. Eastern white pine, red pine, eastern hemlock and yellow birch characterizes the Great Lakes-St. Lawrence Forest Region, along with tolerant hardwoods (sugar maple, red maple, basswood, white elm) red oak and poplar, and also conifer species such as cedar, balsam fir, white and black spruce and occasionally red spruce.

As can be seen from Table 1, the four main ecosites on the forest are jack pine, poplar-white birch, poplar-white birch-white spruce-balsam fir, and poplar-jack pine-white spruce-black.
spruce. Together these four ecosites comprise almost 63% of those on the forest, giving the forest a predominantly boreal character.

Table 1. Proportional composition of ecosites in the Northshore Forest. (Source: Draft 2005 FMP)

<table>
<thead>
<tr>
<th>Ecosite Description</th>
<th>% of Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>White and Red Pine</strong></td>
<td></td>
</tr>
<tr>
<td>White Pine-Red Pine</td>
<td>4.2</td>
</tr>
<tr>
<td>Red Pine</td>
<td>0.7</td>
</tr>
<tr>
<td>Jack Pine-White Pine-Red Pine</td>
<td>5.4</td>
</tr>
<tr>
<td>White Pine-Largetooth Aspen-Red Oak</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Jack Pine and Black Spruce</strong></td>
<td></td>
</tr>
<tr>
<td>Jack Pine</td>
<td>21.2</td>
</tr>
<tr>
<td>Black Spruce-Pine</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Intolerant Hardwoods and Mixedwoods</strong></td>
<td></td>
</tr>
<tr>
<td>Poplar-White Birch</td>
<td>18.0</td>
</tr>
<tr>
<td>Poplar-White Birch-White Spruce-Balsam Fir</td>
<td>10.2</td>
</tr>
<tr>
<td>Poplar-Jack Pine-White Spruce-Black Spruce</td>
<td>11.4</td>
</tr>
<tr>
<td>White Pine-Red Pine-White Spruce-White Birch-Trembling</td>
<td></td>
</tr>
<tr>
<td>Aspen</td>
<td>1.9</td>
</tr>
<tr>
<td>White Cedar-White Pine-White Birch-White Spruce</td>
<td>8.1</td>
</tr>
<tr>
<td>White Cedar-Other Conifer</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Tolerant and Mid-Tolerant Hardwoods</strong></td>
<td></td>
</tr>
<tr>
<td>Red Oak-Hardwood</td>
<td>0.1</td>
</tr>
<tr>
<td>Sugar Maple-Red Oak-Basswood</td>
<td>&lt;0.1</td>
</tr>
<tr>
<td>Sugar Maple-Beech-Red Oak</td>
<td>0.2</td>
</tr>
<tr>
<td>Sugar Maple-Basswood</td>
<td>&lt;0.1</td>
</tr>
<tr>
<td>Sugar Maple-White Birch-Poplar-White Pine</td>
<td>3.6</td>
</tr>
<tr>
<td>Sugar Maple-Hemlock-Yellow Birch</td>
<td>0.1</td>
</tr>
<tr>
<td>Sugar Maple-Yellow Birch</td>
<td>3.4</td>
</tr>
<tr>
<td>Hemlock-Yellow Birch</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Conifer and Hardwood Lowlands</strong></td>
<td></td>
</tr>
<tr>
<td>Black Spruce-Tamarack</td>
<td>1.7</td>
</tr>
<tr>
<td>White Cedar-Black Spruce-Tamarack</td>
<td>0.5</td>
</tr>
<tr>
<td>White Cedar-Other Conifer</td>
<td>0.6</td>
</tr>
<tr>
<td>White Cedar-Lowland Hardwoods</td>
<td>0.2</td>
</tr>
<tr>
<td>Lowland Hardwoods</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Commercial logging in the forest commenced in the 1880’s although human presence has influenced the landscape since the mid 1800’s through land clearing and small scale forest harvesting. Logging from the late 1800’s through to the depression era depleted a large volume of white pine and red pine forests. Approximately 150 sawmills were operating on the Northshore forest at the turn of the last century. Due to a lack of appropriate silviculture, many
of the pine-dominated sites were taken over by shade intolerant species such as poplar and birch. Early logging also removed high quality tolerant hardwoods and hemlock, and was similarly not accompanied by appropriate silviculture. Therefore many of the tolerant hardwood stands are of poor quality and of little commercial value except for fuelwood and pulp.

With the implementation of MNR-managed forestry in the 1950’s through to the 1990’s silvicultural efforts improved and this effort has been extended by NFI in its current management of the forest. The Northshore Forest is now recognized widely for its progressive silvicultural practices.

Forest fires have played a large role in shaping the present forest. The Mississagi-Chapleau fire of 1948 was by far the most significant fire in the Forest’s recent history. Over 110,000 ha of productive forest were burned affecting primarily jack-pine dominated areas in the central and northern portion of the Forest. The implementation of a fire suppression program has greatly reduced the influence of wild fires since the 1950’s. Based on MNR-supplied data, the Draft 2005 FMP notes that that only 1,249 ha have burned in the last 18 years (70 ha/year average).

Insect infestation and damage have also affected the forest. Moderate to severe spruce budworm mortality of balsam fir occurred in the northern part of the Forest in the 1950’s, 70’s and 80’s. During the mid 1980’s and 1990’s jack pine budworm affected portions of the Forest and was suppressed by insecticide (Bt) spraying. Parts of the Forest experienced moderate to severe infestations of forest tent caterpillar in the early 1950’s, mid 1960’s and late 1980’s. White birch on the forest has also been affected by birch skeletonizer outbreaks in the 1960’s and 1970’s.

B. Size of forest management unit certified and forest use and area in production forest, conservation, and/or restoration

The size of the various land types comprising the Northshore Forest are shown in Table 2. Most of the Forest (73.8%) is managed Crown land. Protected areas (regulated and non-regulated provincial parks and conservation reserves) comprise 12.1% of the Forest. Private land comprises 10.5% of the Forest. Federal land and First Nations land comprises 3.6% of the Forest.

Table 2. Land areas (ha) of the Northshore Forest. (Source: Draft 2005 FMP, Table FMP-1)

<table>
<thead>
<tr>
<th>Land Type</th>
<th>Crown Land</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Parks</td>
<td>Unmanaged</td>
<td>Managed</td>
<td>Patent</td>
<td>Other</td>
<td>Total</td>
</tr>
<tr>
<td>Water</td>
<td>11,452</td>
<td>22,934</td>
<td>102,935</td>
<td>1,310</td>
<td>3,239</td>
<td>141,870</td>
</tr>
<tr>
<td>Non-forested land</td>
<td>448</td>
<td>508</td>
<td>8,062</td>
<td>26,752</td>
<td>1,839</td>
<td>37,615</td>
</tr>
<tr>
<td>Non-productive Forest</td>
<td>4,384</td>
<td>7,442</td>
<td>63,560</td>
<td>12,993</td>
<td>6,367</td>
<td>94,746</td>
</tr>
<tr>
<td>Productive Forest</td>
<td>37,794</td>
<td>66,936</td>
<td>748,557</td>
<td>89,769</td>
<td>33,408</td>
<td>976,542</td>
</tr>
<tr>
<td>Total Forest</td>
<td>42,178</td>
<td>74,378</td>
<td>812,117</td>
<td>102,762</td>
<td>39,778</td>
<td>1,071,210</td>
</tr>
</tbody>
</table>
There are six provincial parks located within the Northshore Forest. Chutes Park is a small recreational park adjacent to the town of Massey on the Aux Sables River. The Mississagi River Provincial Park is classed as a waterway park. The Lacloche Mountain, Mississagi, and Aubrey Falls Provincial Parks are classified as natural environment parks. The Mississagi Delta Provincial Park is classed as a nature reserve. These provincial parks comprise 54,078 ha. Unregulated provincial parks and conservation reserves, identified during Ontario’s recent land-use planning process called Lands for Life, comprise 97,826 ha.

C. Annual allowable cut and/or annual harvest covered by management plan

In Ontario, the annual allowable harvest is the area of forest from which an anticipated volume can be cut based on the approved forest management plan. In the Draft 2005 FMP projected harvest areas and volumes are provided on a forest-unit basis (Table 3). The jack pine-spruce forest unit is projected to provide the largest volumes of timber. Although more area is projected to be harvested in the hardwood mix, tolerant hardwood-shelterwood, and tolerant hardwood-selection forest units, these units are harvested using shelterwood or selection methods and therefore yield lower volumes per harvest period than the PJSP, which is harvested using clearcut or modified clearcut systems.
Table 3. Project harvest area and volumes for the Northshore Forest. (Source Draft 2005 FMP, Table FMP-15)

<table>
<thead>
<tr>
<th>Forest Unit</th>
<th>Description</th>
<th>Annual Harvest Area (ha)</th>
<th>Annual Harvest Volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PJ1</td>
<td>Jack Pine</td>
<td>514</td>
<td>95,569</td>
</tr>
<tr>
<td>PJSP</td>
<td>Jack Pine-Spruce</td>
<td>683</td>
<td>100,406</td>
</tr>
<tr>
<td>SFIR</td>
<td>Spruce-Fir</td>
<td>392</td>
<td>36,385</td>
</tr>
<tr>
<td>SBLC</td>
<td>Black Spruce-Lowland Conifer</td>
<td>134</td>
<td>11,805</td>
</tr>
<tr>
<td>PR1</td>
<td>Red Pine</td>
<td>7</td>
<td>36,587*</td>
</tr>
<tr>
<td>PO1</td>
<td>Poplar</td>
<td>575</td>
<td>84,082</td>
</tr>
<tr>
<td>BW1</td>
<td>White Birch</td>
<td>539</td>
<td>48,613</td>
</tr>
<tr>
<td>HDMIX</td>
<td>Hardwood Mix</td>
<td>1,031</td>
<td>112,790</td>
</tr>
<tr>
<td>MW1</td>
<td>Mixedwood poor sites</td>
<td>694</td>
<td>81,907</td>
</tr>
<tr>
<td>MW2</td>
<td>Mixedwood rich sites</td>
<td>457</td>
<td>53,698</td>
</tr>
<tr>
<td>PWUS4</td>
<td>White Pine Uniform Shelterwood</td>
<td>453</td>
<td>26,334</td>
</tr>
<tr>
<td>PWMIX</td>
<td>White Pine Mixedwood- Shelterwood</td>
<td>650</td>
<td>47,250</td>
</tr>
<tr>
<td>HDUS</td>
<td>Tolerant Hardwood- Shelterwood</td>
<td>1,203</td>
<td>41,000</td>
</tr>
<tr>
<td>HECE</td>
<td>Hemlock-Cedar</td>
<td>331</td>
<td>7,926</td>
</tr>
<tr>
<td>HDSEL</td>
<td>Tolerant Hardwood-Selection</td>
<td>1,860</td>
<td>69,095</td>
</tr>
</tbody>
</table>

* The harvest volume for red pine is derived largely from thinnings, which are not accounted for in the harvest area calculation.

Forecast harvests are also provided on a volume/species basis in the FMP; these are shown in Table 5 of this report.

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

In Ontario, forest management plans (FMPs) are prepared every five years to provide direction for forest management activities for a 20-year period, and to outline specific areas of operation for the first 5-year term. The plan is a lengthy and complicated document that develops from a long planning process involving many parties. NFI works with the MNR, and with many other parties and interest groups in developing the FMP and establishing the forest management objectives and strategies for the Northshore Forest. Both the content of the plan and the process to develop it are guided by a complex series of planning manuals published by the Ontario Ministry of Natural Resources (MNR).

The Northshore Forest Management plan in effect at the time of the field audit was approved in the spring of 2000. That marked the end of a period of plan preparation, consultation and review that began in the spring of 1998. It is a long-term plan for the period 2000-2020, but as plans are renewed every five years, it is really the period 2000-2005 for which it has the most relevance.

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3 Beginning in 2007, the planning process will be modified so that FMPs will cover a 10-year period.
As this assessment was being undertaken, the preparation of 2005 FMP was nearing completion. As discussed in Section 1.2 of this document, the Draft 2005 plan is more current, and relevant to the management of the forest over the next 5 years, it was used more so than the 2000 FMP as the reference document for this assessment.

As with all other FMPs in Ontario, development of NFI’s plan for the Northshore Forest was led by a registered professional forester with the assistance of an interdisciplinary planning team, representing NFI and its shareholders, First Nations, MNR, and two Local Citizens Committees. Consistent with normal provincial practice, the MNR District Manager made a recommendation that the Regional Director approve the plan and the Regional Director approved it.

NFI is essentially a partner with the MNR, and with many stakeholders and interest groups in developing the FMP and establishing the forest management objectives and strategies for the Northshore Forest. NFI was required to provide opportunities for interested and affected persons and organizations, and the general public, to review and comment on drafts of the plan.

The scope of the management objectives that must be included in any forest management plan are established in the Ontario Crown Forest Sustainability Act, which also authorizes the Minister to issue SFLs and regulates the forest planning manual and other manuals. The objectives set out in the Act relate to maintaining forest diversity; social and economic matters, including levels of timber harvest; provision of forest cover for those values which are dependent on forest cover; and silviculture.

Detailed objectives for the 2005-2025 period are summarized in the draft 2005 FMP and are repeated below:

**Forest Diversity Objectives:** To achieve a future forest condition that:

- Is within the “bounds of natural variation” and follows the trends of a “natural benchmark” assessment showing how the forest might develop over time in the absence of human intervention with respect to forest cover type, age class structure (including old growth) and habitat supply;
- Increases the proportion of conifer forest cover types thereby more closely resembling pre-settlement forest conditions;
- Emulates natural disturbance patterns;
- Has structural characteristics including the retention of living trees, snags and downed woody debris. These characteristics are prescribed by several guides including the Natural Disturbance Pattern Emulation Guide, the Pileated Woodpecker Guide, the Tree Marking Guide, the Silvicultural Guides and the Old Growth Definitions Report; and
- Maintains genetic diversity.

**Social and Economic Objectives:**

- Maximize the area available for forest management;
- Provide a sustainable and continuous supply of timber to meet or exceed MNR wood supply commitments;
• To provide forest based opportunities to local First Nation communities for employment and economic benefit;
• To provide for significant First Nation involvement in the forest management planning process;
• To compliment regional wood supply strategies;
• To satisfy the traditional harvest levels of 28 independent overlapping licensees;
• To increase the future proportion of tolerant hardwood sawlogs & veneer, and red and white pine sawlogs;
• To make available incidental volumes of timber for uses such as fuelwood, fence post material and timber for other personal uses;
• To carry out forest operations in a manner that maintains the viability of the tourism industry by protecting and sustaining tourism values within the forest;
• To manage forest cover and conduct forest operations in a manner that will compliment other resource based activities such as recreation, hunting, trapping, and mineral exploration; and
• To minimize the risk of industrial caused forest fires

Objectives for Values Dependent on Forest Cover:
• To maintain, at a variety of scales and over successive planning periods, the range of wildlife habitats that are required to support wildlife species on the forest, and to protect the habitats of known sites;
• To maintain / enhance water quality & fish habitat so that they are not diminished as a result of forest management practices;
• To protect cultural heritage values that may be affected by forest management operations;
• To protect areas and resources significant to the aboriginal way of life such as burial grounds, sacred places, gathering grounds etc.; and
• To ensure the ecological processes and site productivity are minimally impacted or enhanced by forest management practices

Silviculture Objective:
• To design and implement silvicultural operations that manage forest cover in a manner that contributes to the achievement of the desired future forest condition.

For each objective there are associated specific (often numerical) targets and detailed descriptions of the strategies to achieve these targets.

1.4. Environmental, Socioeconomic, and First Nations Context

The Northshore Forest is very diverse and straddles the transition zone between the Great Lakes - St. Lawrence and Boreal forest regions.

There are over 3,300 inland lakes greater than 4 hectares in size on the Forest, and many are cold-water lakes. Approximately 270 lakes contain lake trout, which is 13.5 % of Ontario’s lake
trout lakes. Many smaller lakes have been stocked with rainbow trout, brook trout and splake, which provide a “put and take” fishery.

The Forest supports a broad assemblage of wildlife including all those typical of central Ontario’s boreal and Great Lakes-St. Lawrence forests, including moose, bear, white-tailed deer, marten, beaver, lynx, red fox, wolf, mink and otter. The forest also supports well over 100 species of breeding birds and provides migratory habitat for many others which nest further north.

A large number of small communities including Espanola, Blind River, Thessalon and Elliot Lake are located within the Forest along with several First Nations. The majority of the population is situated in close proximity to the Trans-Canada Highway which runs along the southern portion of the Forest. These communities have experienced population and economic decline over the last fifteen years. The Northshore Forest has two major Northern Ontario urban centres – Sudbury and Sault Ste. Marie located in close proximity to the east and west boundaries of the forest. The average income of the Northshore Forest Region is below the provincial average and the unemployment rate is higher.

The forest products industry remains a dominant industry in the area. Other industries include tourism, mining (including aggregate), transportation, government services, construction and wholesale and retail trade. Elliot Lake has also become a significant retirement centre in Ontario.

The Northshore Forest is one of the most scenic areas of Ontario and tourism and recreational uses are highly important to the economy of the region. Tourism and recreation is highly diverse and includes cottaging, crown land hunting and fishing, remote, semi-remote and road-based tourism operations, eco-tourism, camping and generally highway tourism. Although most cottages are on private land there are approximately 61 cottaging lakes and over 135 designated tourism lakes on the unit. The majority of the lakes have a tourism establishment on them, whether it be a main base lodge, outpost camp, or seasonal tent site. There are also thirteen canoe routes along such waterways as the Mississagi, aux Sables, and Aubinadong Rivers.

There are a number of other commercial uses of the forest including: 38 baitfish operators utilizing one to several blocks, over 76 bear management areas and over 113 trapping areas. While only a few people make any one of these operations their principal economic activity typically they are important in supplementing income or contributing to the lifestyle of people who engage in several businesses or other economic activities.

Ten local mills received the vast majority of wood supply (Table 4). The forest products industry is the major employer in many of the communities of the Northshore including Espanola, Thessalon, Blind River and the First Nation community of Sagamok.
Table 4. Forecast of wood utilization by Mill (Source: Draft 2005 FMP)

<table>
<thead>
<tr>
<th>Mill</th>
<th>Location</th>
<th>Product</th>
<th>Volume (m$^3$/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boniferro Mill Works</td>
<td>Sault Ste. Marie</td>
<td>Sawlogs</td>
<td>11,200</td>
</tr>
<tr>
<td>Birchland Veneer Ltd.</td>
<td>Thessalon</td>
<td>Veneer logs</td>
<td>6,400</td>
</tr>
<tr>
<td>Domtar Inc.</td>
<td>Espanola</td>
<td>Pulpwood</td>
<td>210,400</td>
</tr>
<tr>
<td>Domtar Inc.</td>
<td>Nairn Centre</td>
<td>Sawlogs</td>
<td>175,000</td>
</tr>
<tr>
<td>Forestply Industries</td>
<td>Blind River</td>
<td>Veneer logs</td>
<td>34,200</td>
</tr>
<tr>
<td>Midway Lumber Mills Ltd.</td>
<td>Thessalon</td>
<td>Sawlogs</td>
<td>90,600</td>
</tr>
<tr>
<td>Pineal Lake Lumber Ltd.</td>
<td>Chapleau</td>
<td>Sawlogs</td>
<td>8,200</td>
</tr>
<tr>
<td>St. Marys Paper Ltd</td>
<td>Sault Ste. Marie</td>
<td>Aspen, SPF logs</td>
<td>156,400</td>
</tr>
<tr>
<td>Grant Forest Products</td>
<td>Timmins, Englehart</td>
<td>OSB logs</td>
<td>55,400</td>
</tr>
<tr>
<td>Algoma Mill Works Inc.</td>
<td>Blind River</td>
<td>Plylog</td>
<td>10,000</td>
</tr>
<tr>
<td>Other Uses</td>
<td>Various</td>
<td></td>
<td>14,000</td>
</tr>
</tbody>
</table>

Historically, the ancestors of today’s Ojibway peoples traveled large parts of north-eastern Ontario in the course of their trade and commerce. The large river systems and great lakes provided the primary means of movement from one location to the next. The riparian areas of the major rivers and lakes in north-eastern Ontario hold a diversity of archaeological, historical and cultural values for these peoples. In the modern era after treaties were signed in the late 19th and early 20th centuries, the aboriginal population was forced to exist on small areas known as reserves. As the economic growth of the area expanded, fewer and fewer aboriginal people actually practiced the traditional lifestyle of traveling the rivers and spending extended months on traplines.

Today, seven First Nation communities have expressed interest in the Northshore Forest region and are of Ojibway background, they are: Birch Island First Nation, Sagamok First Nation, Serpent River First Nation, Mississauga First Nation, Wikwemikong First Nation, Shequindah First Nation and Thessalon First Nation. All the communities are located within the Robinson-Huron Treaty. In addition, Birch Island First Nation and Shequindah First Nation belong to the United Chiefs of Manitoulin Island while the rest with the exception of Wikwemikong belong to the North Shore Tribal Council.

In north-eastern Ontario, First Nations control of forest management is currently limited to their individual reserves designated by the Federal government. Historically, the Province of Ontario has interpreted Treaties as providing the continual right to fish, hunt and trap with no notion that treaties provide for co-management or for sharing of natural resources. In general, First Nations do not share this narrow view of treaty rights; however, the governments and First Nations agree that these rights can be impacted by forest management.

For the purposes of the assessment, we determined that at least nine First Nations\(^5\) may have traditional links to the area of the Northshore Forest and consider it to be a part of their

\(^5\) Birch Island First Nation, Sagamok First Nation, Serpent River First Nation, Mississauga First Nation, Wikwemikong First Nation, Shequindah First Nation, Batchewana First Nation, Garden River First Nation and Thessalon First Nation.
traditional territory. During the assessment we contacted a total of 22 First Nations, Tribal Councils, and political First Nation organizations to determine their level of modern interest in the management of the forest, and using a set of criteria, concluded that five First Nations have current interests, and that further work should be done to determine whether a sixth - Wikwemikong First Nation - should be considered as well.

Mississauga First Nation

Mississauga First Nation reserve is situated in Cobden townships extending south of Little Chiblow lake, Chiblow Lake and Matinenda Lake, primarily in parts of the Patton, Scarfe, and Thomson Townships. Mississauga First Nation is a member of the Robinson Huron Treaty as well as a member of the North Shore Tribal Council. The community presently has a population of 841 members of which 387 live on reserve.

Hunting, fishing and trapping still occur within the community; however, more and more of the community members travel north for a better quality and abundance. The community has been involved in the utilization of timber and non-timber resources. This included the fur trade, timber sales for railway construction and the harvesting and sale of firewood for steamships in the mid 1800’s.

The community has gone through a land claim process and has obtained additional 16,097 hectares through this process. The community has had little involvement and interest in the Northshore forest and will most likely be concentrated their efforts towards their land claim settlement.

Thessalon First Nation

The Thessalon First Nation membership is comprised of 462 people. The community has a reserve, #12 which is located in the Southeast corner of the Township of Thessalon approximately 90 kms east of Sault Ste. Marie. Under the Robinson Huron Treaty of 1850 the entire Township of Thessalon was reserved for use by the Thessalon community. They are currently undergoing a specific land claim.

Individual members of the community understand that they have Treaty rights within the Robinson Huron Treaty; however, there has been more interest in the Northshore forest rather than the Algoma-Wawa forest.

Birch Island First Nation (Whitefish River First Nation)

The Whitefish River First Nation occupies the Whitefish River Reserve which is located 68 km southwest of Sudbury on the northwest shore of Georgian Bay and covers 5673.4 hectares. The reserve is home to 315 aboriginal people with another 435 living off the reserve.
The Whitefish River reserve is within the boundaries of the territory described by the Robinson-Huron Treaty of 1850. Under the general terms of the Treaty, Native people were to retain certain lands to be set aside for them as reserves. The Whitefish River Band chose as their reserve a tract of land "contained between two rivers called White Fish River and Wanabitasebe, seven miles inland." The land identified as Whitefish River Indian Reserve No. 4 was first surveyed in 1851, and in 1865 a portion of the reserve was surrendered for future sale. In subsequent years additional reserve land was surrendered, primarily to allow for road construction.

**Sagamok First Nation**

Sagamok Anishnawbek is a community of Ojibway, Odawa and Pottawatami decedents, located on the north shore of the North Channel of Lake Huron. Sagamok consists of approximately 11,330 hectares (28,000 acres) with a on-reserve population of 1450 residents. The First Nation is affiliated with the North Shore Tribal Council and the Union of Ontario Indians (Provincial Territorial Organization).

Sagamok Anishnawbek has a history of logging within the Reserve proper and also of third party license holders harvesting timber. A sawmill on the reserve closed in the late 1980’s due to lack of supply resulting from earlier over-exploitation of forest resources. The Band Council realized the extent of the exploitation and reacted by placing a moratorium on logging operations on-reserve.

A number of First Nation members have historically worked for E.B. Eddy, now Domtar, but those have declined in recent years and others are employed by other license holders in the area.

**Serpent River First Nation**

The Serpent River First Nation occupies the Serpent River Reserve which is located 18 km east of Blind River and covers 10879 hectares. The reserve is home to 330 aboriginal people with another 595 living off the reserve. The native language of these people is Ojibway. Serpent River First Nation is a signatory to the Robinson Huron Treaty of 1850.

The community has traditionally relied on the forest resources for maple syrup, birch for various implements, trapping, canoe making, medicinal plant harvesting, berry picking and wood gathering to name a few. In addition, the community has identified a number of spiritual sites that cannot be named in this document that require protection from harvesting operations.

The community continues to rely on the forest for sustenance as well as forestry employment through silviculture contracts and logging with the Robinson Huron Forestry Company.

**Wikwemikong First Nation**
The Wikwemikong First Nation occupies the Point Grondine, Wikwemikong Unceded Reserves which are located 40 km southeast of Sudbury and on the east end of Manitoulin Island and cover 46701.7 hectares. The reserves are home to 2504 aboriginal people with another 2660 living off the reserves. The native languages of these people are Ojibway and Ottawa.

The Wikwemikong First Nation has been active in harvesting of their reserve land resources. The community also maintains a population who continue to rely on the forest resources for sustenance and medicinal uses. Wikwemikong First Nation continues to develop resource use within their reserve lands and is continually looking for economic opportunities off reserve.

1.5. Products Produced and Chain of Custody

A. Chain of custody certificate

The scope of the Northshore Forest management and chain of custody assessment includes coniferous and deciduous species of timber harvested from the Crown managed portion of the Forest including delivery to the gates of at least ten processing facilities.

B. Species and volumes covered by the certificate

Table 5 provides the species mix planned to be taken from the Crown-managed forest lands of the Northshore Forest. Data presented in Table 5 are from the draft 2005 FMP.

Table 5. Certified Planned Production of the Northshore Forest (Source Draft 2005 FMP, Table FMP-21)

<table>
<thead>
<tr>
<th>Species</th>
<th>Scientific name</th>
<th>Volume (m$^3$ per yr)</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Spruce</td>
<td>Picea mariana</td>
<td>41,085</td>
<td>Sawlogs, pulpwood</td>
</tr>
<tr>
<td>White Pine</td>
<td>Pinus strobus</td>
<td>47,591</td>
<td>Veneer, sawlogs, pulpwood, specialty</td>
</tr>
<tr>
<td>Red Pine</td>
<td>Pinus resinos</td>
<td>22,608</td>
<td>Veneer, sawlogs, specialty</td>
</tr>
<tr>
<td>Jack Pine</td>
<td>Pinus banksiana</td>
<td>187,198</td>
<td>Veneer, sawlogs, pulpwood</td>
</tr>
<tr>
<td>White Spruce</td>
<td>Picea glauca</td>
<td>33,426</td>
<td>Veneer, sawlogs, pulpwood</td>
</tr>
<tr>
<td>Balsam Fir</td>
<td>Abies balsamea</td>
<td>31,814</td>
<td>Veneer, sawlogs,</td>
</tr>
<tr>
<td>White Cedar</td>
<td>Thuja occidentalis</td>
<td>6,648</td>
<td>Specialty products</td>
</tr>
<tr>
<td>Larch</td>
<td>Larix laricina</td>
<td>475</td>
<td>Specialty products</td>
</tr>
<tr>
<td>Hemlock</td>
<td>Tsuga canadensis</td>
<td>6,937</td>
<td>Specialty products</td>
</tr>
<tr>
<td>Poplar</td>
<td>Populus tremuloides</td>
<td>196,609</td>
<td>Veneer, pulpwood, OSB</td>
</tr>
<tr>
<td>White Birch</td>
<td>Betula papyrifera</td>
<td>96,659</td>
<td>Veneer, sawlogs, pulpwood</td>
</tr>
<tr>
<td>Hard Maple</td>
<td>Acer saccharum</td>
<td>45,067</td>
<td>Veneer, sawlogs, pulpwood, specialty</td>
</tr>
<tr>
<td>Other Hardwoods</td>
<td></td>
<td>55,635</td>
<td>Veneer, sawlogs, pulpwood, specialty</td>
</tr>
</tbody>
</table>
C. Description of current and planned processing capacity covered by the certificate

Table 4 provides detail on the volumes of fibre scheduled to be delivered to the mills serviced by the Northshore Forest. Actual volume delivery may vary year-to-year as the figures in Table 4 represent one-fifth of the planned five-year allocations.

2. CERTIFICATION ASSESSMENT PROCESS

2.1. Assessment Dates

The assessment of the Northshore Forest began in mid-July 2004. The assessment team leader and two assessors met with NFI staff, initiated detailed planning of the assessment and collection of documents, and developed a list of interested persons and organizations for consultation. In August and September, the team forester communicated with NFI staff to define sample populations, determine sampling intensity and identify candidate areas for field inspection and to specify the information requirements for each block to be visited in the Northshore Forest.

Prior to the assessment, NFI staff provided a very comprehensive indicator-by-indicator description providing evidence how NFI met each indicator, and they compiled a number of indicator-specific reports. They also compiled a compact disc containing electronic copies of documents, records and correspondence relevant to the assessment for each assessor.

The active field and interview portion of the assessment was carried out between October 25 and October 29, 2004. A four person assessment team was present during this period. The forester and ecologist/team leader visited field sites on Oct. 26 and 27 accompanied by NFI and Domtar staff. The social assessor and First Nations assessor undertook numerous interviews and meetings with a wide variety of individuals during this period. An exit meeting for the field portion of the assessment was held in Espanola on October 29. The social assessor and First Nations assessor continued to interview interested individuals, and team members received information from NFI and other sources up to Nov. 26. The assessment advisor reviewed the draft report and was consulted periodically during the assessment process.

Observers from the Ontario Ministry of Natural Resources were present during a portion of the field work and joined the entry meeting.

2.2. Assessment Team and Peer Reviewers

Chris Wedeles – Team Leader/Ecologist. Chris is a wildlife biologist specializing in the relationship between forest management and wildlife ecology. Chris has been a professional consultant since 1986. For the last eight years he has been a partner in ArborVitae Environmental Services Ltd. In his consulting career Chris has worked on forest-related projects

6 See discussion in Principle 6 and 7 for example.
in every province in Canada, although his deepest expertise relates to Ontario’s forest management system. Chris has led or participated in approximately 30 Independent Forest Audits in Ontario, and is a certified ISO auditor. He was a member of the IFA assessment team for the Northshore Forest in 1997. Chris’s recent relevant experience includes: being a technical writer in the development of FSC’s National Boreal Standard (NBS), participating in a project to assess the wood-supply and ecological effects of the NBS, leading a project to review and recommend modifications.

**Nick Baggs**, R.P.F. – Forester. Nick is a forest management consultant specializing in policy review, audit and prescription services. He has been working in forest management planning and operations since 1982. Nick has performed Independent Forest Audits (IFA) on twelve Ontario Forests since 2000. He has also performed ISO 14001 internal Environmental Management System audits and provided a wide range of other audit-related services. In 2001, he was on the team that performed a comprehensive review of Ontario’s IFA Program and later, he updated the Ontario Forest Industries Association Guiding Principles and Code of Forest Practices. Nick completed the SmartWood Lead Assessor training course in 2001 and has since been a team member on three other SmartWood FSC certification assessments in Ontario.

**J P Gladu** – Aboriginal Forester. JP has focused on Aboriginal lands and resource issues nationally and internationally for the past twelve years. He has worked for provincial and federal governments, industry, non-government organizations as well as First Nations. JP has worked both on the ground with First Nation communities on their initiatives as well as higher level planning with national and regional Aboriginal organizations. His current consulting company, Aboriginal Strategy Group is focused on building relationships amongst the aforementioned organizations. JP has been involved with the FSC process as a Policy Forester with the National Aboriginal Forestry Association, as well as a peer reviewer for a number of audits and most recently as a trainer for a First Nation assessor program. In addition, JP successfully completed the FSC auditor training himself in 2001.

**Phil Shantz** – Socio-Economist. Phil is a registered professional planner with twelve years of experience in forest management, socio-economics, land-use planning and environmental assessment. Phil has been a team member on eighteen past or current forest auditing and certification projects in Ontario. Phil was a member of SmartWood’s assessment teams for the Gordon Cosens, Romeo Malette and Smooth Rock Falls Forests in Ontario and was a member of the team that field tested the Ontario Boreal Standard (draft). He was also part of SGS’s FSC maintenance assessment of Westwind Forest Stewardship Company and was part of the team assessing the Wood Supply, Forest Management Costs, Community Benefits and Environmental Impacts of the draft FSC National Boreal Standard. Phil has led some of the largest economic studies on forest resource management and crown land use in Ontario, including Timber Supply and Community Socio-Economic Sustainability and a Study of the Economic and Social Benefits of the Nine Ontario Living Legacy Signature Sites. Phil recently joined SENES Consultants Limited and is involved in the company’s environmental assessment and auditing practices. Phil successfully completed the SmartWood Lead Forest Assessor Training.
Keith Moore – Assessment Advisor. Keith is a forester and has worked in forestland management and environmental assessment in Canada and internationally, since 1976. Keith completed the SmartWood Lead Assessor training and been involved with SmartWood and FSC certification since 2000. He has been a team member and team leader on ten previous SmartWood assessments and pre-condition audits in Canada and in Russia. He coordinated the field-testing of three FSC regional standards: the National Boreal standard 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. 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.

There were two peer reviewers for this process:

1. The first peer reviewer was a senior forester and ecologist from Canada, with over twenty years of experience in Ontario. The peer reviewer is a Registered Professional Forester (RPF) in Ontario, and has both undergraduate and Master’s degrees in ecology. The peer reviewer has had long experience with the Ontario IFA audit system and strong experience in environmental impact assessments in various forest types (including boreal and further south).

2. The second peer reviewer was a senior Canadian ecologist, with over 30 years of experience and undergraduate and graduate degrees (BS, MS and Ph.D) in ecology. The peer reviewer has broad and deep research experience on ecology in the boreal and subboreal (i.e. Great Lakes-St.Lawrence) forest types in Ontario, and has conducted and led long-term applied research on wildlife, logging and forest management. This reviewer is also active in international forums on forest management issues, in collaboration with research and government agencies, with a particular focus on boreal forest issues.

2.3. Assessment Process

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

A. Standards

The main standard used for this assessment was the Forest Stewardship Council Canada Working Group National Boreal Standard (Version 3.2, June 2004)\(^7\). The FSC Board accredited this standard in August, 2004.

To accommodate the fact that part of the Northshore Forest is in the Great Lakes-St. Lawrence (GLSL) forest zone, some indicators from the March 2004 Draft Standards for the GLSL Forest were incorporated into this assessment. The GLSL Standard is not accredited by FSC. As the Boreal Standard is more comprehensive, most issues covered by the GLSL Standard are dealt

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\(^7\) Another version of the National Boreal Standard with minor editorial revisions was posted on the FSC Canada website in November 2004. It has no “version” number.
with in the Boreal Standard too. Six indicators from the draft GLSL Standard were incorporated into this assessment. They are assessed in Criteria 6.2, 6.3, and 6.5. Details on the indicators are provided in appropriate sections of the findings portion of this report.

**B. Sites for Field Assessment**

The team forester, in consultation with the team ecologist, selected the sites for field assessment a month in advance of 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 Forest, and reflecting the work of different contractors and sub-contractors. The assessors determined the criteria for selection and the level of sampling. The team forester made the final selection of sites. The Superintendent of NFI provided valuable input in consideration of logistics.

One day of field assessment (Oct. 26) via helicopter was undertaken. On this day two assessors were guided by one NFI staff member. One day of ground-based assessment was also undertaken. On this day assessment team members were accompanied by several NFI staff, Domtar staff and a representative from the MNR. In addition to detailed observations in each of the areas listed in Table 2.1, the assessors also had opportunities to inspect additional operations in an *ad hoc* manner during the field assessments. In total, 36 sites were inspected and about another 10-15 were inspected *ad hoc*. Table 6 shows the 36 sites which were inspected.

**Table 6.** List of Sites Visited by SmartWood Assessors for the Northshore Assessment

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Access</th>
<th>Harv.</th>
<th>Renewal</th>
<th>FTG</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tile 73013</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Pw and Pr thinning</td>
</tr>
<tr>
<td>2</td>
<td>Tile 73013</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Thinning and various mgmt</td>
</tr>
<tr>
<td>3</td>
<td>Tile 73013</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Thinning and various mgmt</td>
</tr>
<tr>
<td>4</td>
<td>Tile 72913</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Mixedwood FTG; 1990 plant</td>
</tr>
<tr>
<td>5</td>
<td>Tile 73214/5</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Stripcut and shelterwood</td>
</tr>
<tr>
<td>6</td>
<td>Tile 73114</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Shelterwood/seed cut</td>
</tr>
<tr>
<td>7</td>
<td>Tile 73115</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Selection and shelterwood</td>
</tr>
<tr>
<td>8</td>
<td>Tile 73117</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Harvest, site prep</td>
</tr>
<tr>
<td>9</td>
<td>Tile 73421</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Clearcut, site prep, plant, tend</td>
</tr>
<tr>
<td>10</td>
<td>Tile 73421/521</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td>Clearcut, site prep</td>
</tr>
<tr>
<td>11</td>
<td>Tile 73521</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td>1995 harvest, 2002 FTG</td>
</tr>
<tr>
<td>12</td>
<td>Tile 73214</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td>1995 harvest 2003 FTG</td>
</tr>
<tr>
<td>13</td>
<td>Tile 73621</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Clearcut, site prep, plant</td>
</tr>
<tr>
<td>14</td>
<td>Tile 73718</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Clearcut site prep</td>
</tr>
<tr>
<td>15</td>
<td>Tile 73818</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td>Pre ‘94 harvest, 2002 FTG</td>
</tr>
<tr>
<td>16</td>
<td>Tile 73818</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td>Pre ‘94 harvest, 2002 FTG</td>
</tr>
<tr>
<td>17</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Clearcut, site prep, seed</td>
</tr>
<tr>
<td>18</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>1994 clearcut, 2003 FTG</td>
</tr>
<tr>
<td>19</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>1994 clearcut, 2003 FTG</td>
</tr>
<tr>
<td>20</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>1995 clearcut, 2003 FTG</td>
</tr>
<tr>
<td>21</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>1994 clearcut, 2003 FTG</td>
</tr>
<tr>
<td>22</td>
<td>Tile 73721</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>1995 clearcut, 2003 FTG</td>
</tr>
<tr>
<td>23</td>
<td>Tile 73620/720</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Clearcut, site prep, plant</td>
</tr>
</tbody>
</table>
### C. Assessment of Principle 3

Principle 3 in the National Boreal Standard refers to indigenous peoples, including First Nations and Métis. For the purposes of this assessment we focused on the First Nations peoples who have an interest in the Northshore Forest.

The team identified 22 First Nations in northern Ontario who might potentially be interested in the Northshore Forest and this assessment. The First Nations assessor wrote to the Chiefs, Councilors and known lands and resource portfolio holders of these 22 First Nations, and provided general information about FSC and details about the assessment of the Northshore Forest. Twelve First Nations were followed up by phone calls to attempt to arrange meetings and interviews, and nine communities responded with an interest in meeting. Representatives of eight First Nations were interviewed\(^8\), as were representatives of the Northshore Tribal Council.

We used a set of seven criteria previously developed by SmartWood for use in Northern Ontario\(^9\) to determine whether a First Nation has a modern day interest in the Northshore Forest for the purposes of assessing NFI’s compliance with the requirements of Principle 3. The criteria we used were:

- Is the Reserve(s) located on, adjacent to the forest?

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\(^8\) Thessalon First Nation, Mississauga First Nation, Serpent River First Nation, Sagamok First Nation, Wikwemigong First Nation, Shequianah First Nation, Birch Island First Nation, and Whitefish Lake First Nation.

\(^9\) See SmartWood assessments of Tembec’s Romeo Malette and Smooth Rock Falls Forests as examples of other forests where these criteria were also used.
• Do First Nation members live on the forest?
• Do First Nation members work on the forest?
• Is the forest being influenced by the presence of First Nations people in the forest units being considered for certification?
• Do any First Nation members have a linear, polygon or point values on the land base (e.g., spiritual, economic, social, food/plant)?
• Do any First Nation members presently, or in their life, use the forest for traditional, social, recreational or sustenance purposes?
• Has the First Nation identified that they have a major historical interest in that forest through traditional or past occupancy and use areas.

Based on these criteria, the team concluded that five First Nations have an interest in the Northshore Forest, and that a sixth First Nation, may have such an interest but further work is being conducted by NFI to clarify this. The interests of these First Nations were addressed in detail in the assessment of Principle 3. The team acknowledges that other First Nations used the Northshore Forest in the past, and may consider the Forest to be part of their traditional territory.

The First Nations assessor conducted interviews with a total of 27 individuals representing eight First Nations and staff members of the Northshore Tribal Council mostly through personal visits or meetings.

2.4. Assessment of stakeholder and interest groups concerns

A mailing list was developed for persons interested in the Northshore Forest by Northshore Forest Inc. Notices were mailed to them and a survey questionnaire was used to gather information and to identify members of the public to interview during the assessment. We also developed a list of representatives of various interest groups and sectors and arranged interviews with these people as well. In addition, ads were placed in four local papers and notices were distributed by e-mail and posted on websites.

The assessment team does not consider First Nations 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 the First Nations as described above in Section 2.3.3. However, for the purpose of describing the consultation process and identifying the number of individuals and organizations interviewed during the assessment, First Nations are included in this section.

A wide variety of interest groups, and public, as well as NFI, staff, employees, overlapping licence holders and contractors were consulted during the course of the assessment. Public consultation was initiated by mailing out a public notification about the Northshore Forest assessment and a survey to approximately 160 different individuals and organizations. The survey asked stakeholders about their interest(s) in the forest; their perspective on the management of the forests and NFI’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 was placed in local newspapers. Comments and submissions were invited.

Along with the initial mailing, personal phone calls were placed to the following to arrange interviews:

- All Local Citizen Committee members (representing trapping, recreation, cottaging, fishing/hunting, tourism, crown land recreation, independent loggers, forest industry, general public, communities, public etc.).
- All other forest companies with volume commitments on the forest;
- Several overlapping licence holders; and,
- Any member of the public who raised a concern.

Most of the people contacted by telephone were provided the opportunity for a personal interview during the field audit. Where this was difficult a phone interview was held.

In total, more than 60 people including NFI staff, government officials, First Nations representatives and a wide range of interest groups and stakeholders were interviewed during the course of the assessment. These included representatives of 5 overlapping licence holders, several mills receiving wood from the Northshore Forest, approximately 15 members of the Espanola and Blind River Local Citizens Committee, representatives of different interest groups, and staff of the Ministry of Natural Resources. A full list of all the people interviewed is included in Appendix 2. Approximately 20 survey forms were returned, most indicating satisfaction with NFI’s management of the Forest.

Personal contact was the primary form of public input. In general, almost all stakeholders have a limited understanding of forest certification and little awareness of FSC.

2.5. Report Preparation

Report writing began in November 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\textsuperscript{10}. 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 conditions or observations, as warranted by the score. The team did not try to score each indicator, or assign weights to individual indicators. Scoring was done at the criterion level, as described in the SmartWood Assessor Manual\textsuperscript{11}, not for each individual indicator in the standard. The score reflects an averaging of the highs and lows between the indicators in a qualitative, not mathematical sense. Assessors decided the score first, and then used that score to determine, according to the

\textsuperscript{10} The Findings Tables are the assessor’s working papers. Completed tables are provided to SmartWood but are not available for public review.

guidance in the SmartWood Assessor Manual, whether a "condition" or “pre-condition" was required.

A draft of findings and scores prepared for each criterion was reviewed by the team leader and drafts were circulated to all team members for comment. The team leader and other team members reviewed the draft conditions and recommendations. The Findings Tables prepared by each assessor at the indicator level were not provided to NFI.

A complete first draft of the Findings Report was provided to NFI in January of 2005. The findings report contained all text related to indicator and criterion assessment, and all draft pre-conditions, conditions and recommendations. In February a report with the remaining “front-end” sections of the assessment (Sections 1-3) was provided to NFI. A response to the Findings Report was submitted by NFI in February. The assessment team considered the comments, made revisions to the report as the team deemed appropriate, and has completed the Peer Review.

2.6. Independent Forest Audit

In Ontario, the Ministry of Natural Resources retains teams of consultants to do an Independent Forest Audit (IFA) of every SFL in the province every five years. The IFAs assess compliance with the Crown Forest Sustainability Act, the Class Environmental assessment terms and conditions for timber management and their accompanying procedures. The IFA also determines the company’s adherence to the process and procedural requirements of the Forest Management Planning Manuals and the implementation in the field of the activities set out in the FMP. The IFA is considered more than a regulatory audit since it also considers the effectiveness of forest management activities.

The most recent IFA for the Northshore Forest\(^{12}\) was conducted in 2002 by a team of auditors. The report was publicly available at the time of this assessment. SmartWood completed an agreement the MNR\(^{13}\) allowing the assessment team to have access to the findings of the IFA, and to communicate, if necessary, with the team of auditors who conducted the IFA. Thus, in the assessment report, the team relied on findings developed from the extensive work done during the IFA to corroborate, or supplement, our findings in this assessment and to provide additional details and information. Those findings are described and footnoted in Section 4. Three of the members of this assessment team have extensive experience with the Ontario IFA audits and are therefore very familiar with the process and the reliability of the information.

3. RESULTS, CONCLUSIONS AND OBSERVATIONS

3.1. General Discussion of Findings


\(^{13}\) Audit Evidence Sharing Agreement between the Minister of Natural Resources for Ontario and SmartWood was signed October 4, 2004.
### Table 7: Summary of Strengths and Weaknesses by FSC Principle

<table>
<thead>
<tr>
<th>Principle/Subject Area</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| **P1: FSC Commitment and Legal Compliance** | • Demonstrated awareness and understanding of obligations under international treaties;  
• Generally good record of compliance with requirements of federal and provincial legislation;  
• Prompt payment of applicable fees, royalties and other charges. | • Some OLLs do not have strong performance record of operational compliance. |
| **P2: Tenure & Use Rights & Responsibilities** | • Customary and legal rights maintained;  
• Significant consultation with other customary and legal users of the forest;  
• No major disputes with other forest users. | • A number of tourist operators have concerns, but no major disputes. |
| **P3 – Indigenous Peoples’ Rights** | • Good understanding of First Nations and First Nations treaty rights;  
• Good initial effort at values information collection | • Lack of a guiding policy regarding interaction with, and fostering aspirations of First Nations;  
• Lack of structured discussions/negotiations with First Nations;  
• Lack of strong infrastructure to deal with First Nations. |
| **P4: Community Relations & Workers’ Rights** | • Large number of small overlapping licensees OLLs continue to work on the forest;  
• OLLs and area mills are an important component of the economies of small communities in the Forest;  
• NFI is effective at working with the public and small OLLs;  
• Two very effective Local Citizens Committees;  
• Good emphasis on health and safety. | • OLLs and contractors feel financially challenged;  
• Weak socio-economic description of other uses of the forest – particularly tourism and recreation. |
| **P5: Benefits from the Forest** | • Most of the harvested wood is processed locally;  
• Good co-operation and working relationships with most of the non-timber tenure holders and business interests;  
• Renewal trust fund exceeds minimum balance. | • None noted. |
| **P6: Environmental Impact** | • Goals for old-growth retention  
• Strong analyses presented for impact assessment, core areas, and connectivity.  
• Excellent recognition of species at risk and rare species;  
• Objectives for conifer restoration;  
• Movement towards natural landscape | • Need for greater integration with surrounding management units;  
• Lack of explicit recognition of the complete age-range of old forests;  
• Need for excluding linear areas as cores;  
• Lack of direction for protection of ephemeral streams; |
<table>
<thead>
<tr>
<th>Principle/Subject Area</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P7: Management Plan</strong></td>
<td>• Strong commitment to training employees and overlapping licence holders over the last 5-10 years</td>
<td>• Difficulty requiring OLLs to undertake training.</td>
</tr>
<tr>
<td><strong>P8: Monitoring &amp; Assessment</strong></td>
<td>• Multitude of monitoring processes; • Bills of lading for chain of custody</td>
<td>• No overview public summary of monitoring results</td>
</tr>
<tr>
<td><strong>P9: Maintenance of High Conservation Value Forest</strong></td>
<td>• HCV report is complete and thorough and of very high quality in many regards; • Explicit consideration of all 19 HCV-related questions</td>
<td>• HCV screening mechanism placed too much emphasis on existing management protection and presence in forested habitats in determining HCVF worthiness; • Lack of input from Aboriginal communities</td>
</tr>
<tr>
<td><strong>P10 - Plantations</strong></td>
<td>• No plantations</td>
<td>• None</td>
</tr>
</tbody>
</table>

### 3.2. Certification Decision

Based on a thorough field review, analysis and compilation of findings by this SmartWood assessment team, the NFI Northshore Forest is recommended to receive joint FSC/SmartWood Forest Management and Chain of Custody (FM/COC) Certification.

No pre-conditions have been identified in this assessment, so there was no requirement for the certification decision to take pre-conditions into account.

In order to maintain certification, the Northshore Forest (SFL 542521) 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 and the Great Lakes-St. Lawrence Standard for Ontario and Quebec (as is has been incorporated into this assessment). NFI will also be required to fulfill 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. Conditions and Observations

This section provides the list of conditions, and observations arising from the assessment.

**Principle 1: Compliance with Laws and FSC Principles:**
Observation 1.6: NFI should formalize its commitment to meeting the FSC national Boreal Standard through an amendment to the 2005-2025 FMP for the Northshore Forest.

Principle 2: Tenure Use Rights and Responsibilities
No Pre-Conditions, Conditions, or Observations

Principle 3: Indigenous Peoples Rights

Condition 3.1a: By the end of year 2 of certification, NFI shall initiate a formal dialogue with each of the five First Nations who have a clear and demonstrated interest in the Northshore Forest, as per the requirements of the FSC National Boreal Standard. This dialogue should identify and clarify their interest in entering a formal agreement to describe a working relationship with NFI that would include any or all of the following:
i. A consultation and communication process to address the First Nation’s interests;
ii. A discussion of tenure and use rights;
iii. The nature and extent of the First Nation’s participation in forest management planning;
iv. The First Nation’s forest economic development and training interests;
v. Dispute resolution procedures;
vi. Use of traditional ecological knowledge; and,
vii. Any other matters jointly agreed.

Some First Nations may delegate the discussion of their interests to the Northshore Tribal Council. If this is done, dialogue with the Tribal Council will suffice to meet the requirements of this Condition for those First Nations.

Condition 3.1b: By the end of Year 3 of certification, NFI shall have undertaken substantive discussion with any of the five First Nations who indicate interest in a formal agreement, and sought to conclude agreements covering aspects of a working relationship as agreed between NFI and the First Nations. To the extent that the Framework Agreement addresses components of this condition, it can be used to satisfy portions of this condition.

Condition 3.1c: By the end of Year 1 of certification, NFI shall establish a clear and separate policy that provides corporate direction to guide the development of working relationships with aboriginal peoples.

Condition 3.3: By the end of Year 1 of certification, NFI shall, in concert with the MNR and local First Nations, develop a strategy to build upon the relative success to date in identifying Aboriginal values and ensure that these values are identified and protected in the operational forest management plans. Where they meet the definition of High Conservation Value Forests, these values shall be incorporated into the HCVF report for the Northshore Forest.
**Observation 3.1:** NFI should consider directing a greater amount of staff time in the administration of their First Nations relations. One option could be employing a local First Nation technician or forester to assist in this matter.

**Observation 3.3:** NFI should consider seeking input from First Nations in developing monitoring AOC prescriptions for First Nations values sites.

**Principle 4: Community Relations and Worker Rights**

**Observation 4.4a:** By the end of Year 3 of certification, NFI shall complete a more comprehensive socio-economic analysis and shall highlight the benefit of recreation and tourism uses of the forest for the public’s consideration during planning for the 2010-2020\(^1\) FMP.

**Observation 4.4b:** NFI should encourage MNR to invite the relevant tourist operators to LCC meetings when recommendations that may specifically impact them are being discussed.

**Observation 4.4c:** NFI should build and revise the mailing list developed for this assessment so that future assessments will have a more expanded list.

**Principle 5: Benefits from the Forest**

**Condition 5.4:** By the end of Year 1 of certification, NFI shall continue work with MNR to ensure that tourism-related components of values maps are up-to-date.

**Condition 5.6:** By the end of Year 3 of certification, NFI shall substantiate allowances for roads and landings and develop a strategy to model core area deferrals that conforms to the requirements of the National Boreal Standard. These inputs shall ultimately be incorporated into the analysis of management alternatives for the 2010 FMP.

**Observation 5.4a:** NFI should work with the OLLs on the forest to develop a program to assess, and where necessary implement, noise controls on forestry equipment.

**Observation 5.4b:** NFI should recommend to MNR to review the policy that baitfish operators not be allowed motorized access beyond access controls.

**Observation 5.4c:** NFI should recommend to MNR the review of the land-use guidelines on the Forest.

**Principle 6: Environment and Ecology**

**Condition 6.1:** By the end of Year 3 of certification, NFI shall provide an updated PIC analysis, incorporating input from the peer review of the present PIC report, and based on use of a

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\(^1\) As of 2007 all forest management plans in Ontario will be for 10 years, rather than the current 20-year plans which are renewed every 5 years.
technically sound model or models to estimate the range of natural conditions likely to have existed in pre-settlement conditions.

**Condition 6.2:** By the end of Year 1 of certification, NFI shall ensure that staff of all the Overlapping Licensees working on the forest receive species-at-risk training, and that the training program is being implemented.

**Condition 6.3a:** By the end of Year 4 of certification, and in time for incorporation in the 2010 FMP, NFI shall ensure that targets are identified which address the full age-range of old growth for the forest units on the Northshore Forest.

**Condition 6.3b:** By the end of Year 3 of certification, NFI shall have completed an assessment of the status of Larch on the forest and of the effects of current management on Larch. If it is found that a serious decline from pre-industrial conditions has occurred (more than 66%), NFI shall prepare a plan for increasing the abundance of Larch to a level approximating its pre-industrial abundance. The plan for increasing Larch abundance shall be incorporated into the next FMP.

**Condition 6.3c:** By the end of Year 1 of certification, NFI shall ensure that all the operators on the forest are implementing retention levels in their cutting areas which meet or exceed the requirements of the draft plan.

**Condition 6.3d:** By the end of Year 1 of certification, NFI shall incorporate direction about the retention of burned habitat into its SOPs and/or environmental policies.

**Condition 6.3e:** By the end of Year 1 of certification, NFI shall, in a revised core area report:
1. Identify a minimum core size consistent with the intent of the indicator;
2. Document that all cores meet or exceed the minimum core size;
3. Provide information on core sizes;
4. Ensure that core areas identified in the forest do not include waterway provincial parks or narrow areas (less than 400 m of terrestrial habitat) unless they are surrounded by other core areas; and,
5. Ensure that the minimum total core area remains above 20% of the terrestrial portion of Crown forest.

**Condition 6.3f:** By the end of Year 1 of certification, NFI shall develop definitive and detailed direction for operational staff on the protection of ephemeral and intermittent streams. Training materials related to appropriate protection are to be developed and incorporated into NFI’s operator training packages.

**Condition 6.4:** By the end of Year 3 of certification, NFI shall have worked with ENGOs, other stakeholders and First Nations to identify gaps in the protected area representation and shall lead the process of approaching the provincial government with proposals or options to complete the network of protected areas.
**Condition 6.5a:** By the end of Year 2 of certification, NFI shall update its Policy and Procedures Manual to provide operational direction for the full range of specified requirements under Indicator 6.5.1.

**Condition 6.5b:** By the end of Year 2 of certification, NFI shall develop contractual or administrative mechanisms to ensure that Overlapping Licensees are obliged to implement NFI operating procedures for harvesting and access.

**Condition 6.5c:** By the end of Year 2 of certification, NFI shall develop a more effective and formal framework to monitor the effectiveness of NFI operating procedures.

**Condition 6.6a:** By the end of Year 1 of certification, NFI shall produce a report that:

i. Identifies the volume of active ingredient and the area treated by all herbicides in all aspects of forest management (i.e. tending and site preparation) for the most recent six years (1999-2004); and

ii. Sets a benchmark to determine trends in herbicide use for a series of metrics including at least the following: volume of all herbicides; total volume of active ingredient; area of tend; method of treatment based on data from the most recent six year period (1999-2004).

**Condition 6.6b:** By the end of Year 1 of certification, NFI shall:

i. Propose quantitative targets for reduction in pesticide use over the next five year period. The targets shall be supported by quantitative analyses examining the costs and benefits associated with alternative levels of reduction. The factors to be considered in this analysis should include:
   - Financial implications associated with alternative measures of vegetation control including costs/benefits of applying less herbicide and/or treating less area;
   - Employment implications created by using other vegetation control means; and,
   - Examination of predicted changes in forest structure as a result of foregone herbicide applications and/or altered vegetation management; and,

ii. Ensure that the analysis identified in i) above is subject to a credible independent review.

**Condition 6.7:** By the end of Year 1 of certification, NFI shall have completed a review of its policies and procedures related to chemicals and waste management and shall revise them as required to ensure that the following topics are more thoroughly addressed:

- Collection, storage, and disposal of waste in an environmentally appropriate manner;
- Adherence to a waste recycling practices;
- Spill prevention;
- Emergency cleanup of spills; and,
- Prevention and prohibition of littering of any materials.

**Observation 6.2:** NFI should consider modifying its tree marking prescription and audit forms to include consideration of the following:
• Conifer Cover - all conifers (excluding balsam fir) are retained where there are fewer than 10 large conifers/ha (large = >40 cm);
• Conifers retention shows preference for clumps of trees, larger trees (>40 cm) and longer lived species (e.g. hemlock, Cedar);
• Supercanopy Trees -- at least one supercanopy tree (trees 60cm+ that emerge above the main canopy) is retained per 4 hectares of forest (where available);
• Mast Tree Retention – 7 or 8 Mast producing trees/ha >25cm DBH (preferably >40 cm) are retained;
• A diversity of mast trees are retained where available (e.g. red and white oak, beech);
• Retention favours trees greater than 25cm dbh where available; and,
• Retention favours trees with large, vigorous, well rounded crowns.

Observation 6.3: NFI should consider incorporating direction on adherence to the National Boreal Standard in Schedule C of Annual Work Schedules.

Observation 6.5a: By the end of Year 1 of certification, NFI should modify its Operating Procedures for Harvesting to reference standards for residual stand damage contained within the Northshore Forest Interpretations for Compliance Monitoring.

Observation 6.5b: NFI should modify its Operating Procedures for Access and Harvesting to meet the requirements of Criterion 6.5 and Indicator 6.5.6 and 6.5.7.

Observation 6.10: NFI should continue to make vigorous efforts to re-establish a slash pile burning program.

Principle 7: Management Plan

Condition 7.1a: By the end of Year 3 of certification, and in preparation for the development of the 2010-2020 FMP, NFI shall incorporate a strategy considering management of surrounding forest lands into its management of the Northshore Forest.

Condition 7.1b: By the end of Year 3 of certification, and in preparation for the development of the 2010-2020 FMP, NFI shall develop more definitive objectives, strategies and performance indicators for access management, road use and roadless areas, as well as performance indicators for the protection of the forest environment.

Observation 7.1a: NFI should develop meaningful performance indicators for the seven objectives listed as currently lacking performance indicators and monitor these for during the implementation of the 2005 FMP.

Observation 7.1b: For the development of the 2010-2020 FMP, NFI should develop descriptions of:
   a) Plants used for food and medicine;
   b) Watersheds, water quality and water quantity; and
c) Indigenous Peoples.

*Observation 7.4:* NFI should consider ways to make its FMP and other documents available on an NFI internet website.

**Principle 8: Monitoring and Assessment**

*Condition 8.5:* By the end of Year 1 of certification, NFI shall develop a strategy to make a summary of the results of monitoring, including High Conservation Value monitoring, on the Northshore Forest available to the public by the most appropriate means.

*Observation 8.1:* NFI should use the NFI monitoring strategy framework as a guide to facilitate public understanding and access to the various monitoring plans and their results.

*Observation 8.3:* If NFI attains FSC certification, it is recommended that NFI explore the possibility of printing their to-be-assigned FSC code on the MNR bills of lading.

**Principle 9: High Conservation Value Forests**

*Condition 9.1:* By the end of Year 1 of certification, NFI shall:

i. Modify its approach to identifying HCVs on the Forest and modify its HCV assessment report to include all HCVs that meet the relevant criteria independent of whether the values
   • Occur in forested or non-forested habitat;
   • Are demonstrably affected by management activities or not; or,
   • Have management strategies in place or not; and,

ii. Identify management strategies to maintain or enhance those HCVs that NFI affects or likely affects through its management activities. The strategies shall be developed with appropriate technical input and in consultation with interested and affected parties.

*Condition 9.4:* By the end of Year 2 of certification, NFI shall, in collaboration with the MNR and other interested parties, implement a monitoring program for all of the HCVs affected by or likely affected by NFI’s management activities on the forest. The monitoring program may encompass monitoring already in existence.

*Observation 9.3:* NFI should incorporate the revised HCV report into the next FMP.
NOTES FOR FUTURE ANNUAL AUDITS

<table>
<thead>
<tr>
<th>Criterion Number</th>
<th>Note</th>
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<tbody>
<tr>
<td>1.1</td>
<td>During the first audit, the auditors should assess the performance of Overlapping Licensees with poor compliance records in future annual audits after certification to ensure that NFI operating procedures are being effectively implemented and that their rates of non-compliance are reduced.</td>
</tr>
<tr>
<td>1.3</td>
<td>During the first audit, the auditors should determine the status of the CEC investigation into the complaint about enforcement of the Migratory Birds Protection Act and determine if any action is required.</td>
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<tr>
<td>3.1</td>
<td>During the first audit, auditors should follow up on the results of NFI's further, ongoing research to clarify the depth and extent of the relationship that the Wikwemikong First Nation has in terms of the forest areas managed by NFI, as per the National Boreal Standard. This will then inform how NFI manages the future relationship with Wikwemikong First Nation in terms of the NBS requirements.</td>
</tr>
<tr>
<td>4.1</td>
<td>During the first two annual audits, auditors should examine for evidence as to how NFI contributes and how it encourages its shareholders to enhancing the quality of life in local and affected communities.</td>
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<tr>
<td>5.6</td>
<td>During the first audit, auditors should assess the appropriateness of the allowance for roads and landings in light of any new strategies to manage roadside slash accumulations or resurrect the slash pile burning program.</td>
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<tr>
<td>6.3a</td>
<td>During the first audit, auditors should assess the effectiveness of chemical tending treatments during the growing season or before leaf fall.</td>
</tr>
<tr>
<td>6.3b</td>
<td>During the first audit, auditors should check whether an assessment of tree species at the edges of their range has been carried out as described in the HCVF report, and whether measures for management of those species have been identified and are being implemented.</td>
</tr>
<tr>
<td>6.3c</td>
<td>During the first audit after the Site Guide is released, auditors should assess the water quality and riparian zone protection measures it requires to determine if NFI needs to develop its own direction on riparian zone protection to meet the requirements of NBS Indicator 6.3.17.</td>
</tr>
<tr>
<td>6.6</td>
<td>During the first two annual audits, auditors should assess the extent to which the IPM strategy is relevant and is being implemented.</td>
</tr>
<tr>
<td>8.1</td>
<td>During the first audit, the auditors should confirm whether the NFI monitoring strategy framework is regularly updated to reflect the outcome of periodic reviews.</td>
</tr>
<tr>
<td>9.3</td>
<td>During the first audit, the auditors should assess whether the management actions identified for HCVs are being implemented.</td>
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