

SUMMARY

TOLKO INDUSTRIES LTD., 1997 - 2009 FOREST MANAGEMENT PLAN (CLIENT FILE: 3094.60)

(formerly Repap Manitoba Inc. & Tolko Manitoba Inc.)

Repap Manitoba Inc. had applied for an Environment Act Licence to undertake a 1997-2009 Forest Management Plan within Forest Management Licence Area #2.

Because considerable interest had been expressed concerning the Proposal the Minister had requested that the Clean Environment Commission hold a public hearing.

A public hearing was held by the Clean Environment Commission and a report was submitted to the Minister of Environment for his consideration. If you wish to obtain a copy of the Clean Environment Commission's report, respecting the public hearing, please contact the Clean Environment Commission's office in Steinbach, Manitoba, at (204) 346-6077.

For your information the following excerpts, **Executive Summary, Conclusions, Observations, and Recommendations**, are taken from the Commission's Report entitled "*Report on Public Hearings, Tolko Manitoba Inc., Forest Management Plan 1997-2009*" (December, 1997).

EXECUTIVE SUMMARY

A hearing was convened under the instruction of the Minister of the Environment to examine the proposed *1997-2009 Forest Management Plan* submitted by Tolko Manitoba Inc. for the management of Forest Management Licence Area No. 2. This *Plan* related to the management of the wood supply for the Company's mill facilities located near The Pas, Manitoba.

The hearing opened in Winnipeg in early September with presentations by the Company and the Departments of Environment and Natural Resources. These presentations were video taped and subsequently distributed to interested parties and to locations where the general public would have convenient access.

In mid October, the hearing resumed in The Pas with questioning and presentations by the public. The intention had been to provide video conferencing between The Pas and Winnipeg to facilitate communication between the two communities. A technological failure resulted in a reconvening of the hearing in Winnipeg, the following week.

During the course of the hearing, participants raised a variety of concerns, including the impact of road development in areas inhabited by woodland caribou and free ranging wood bison. Other concerns included the use of buffer zones, cut block size, forest renewal activities, protection of endangered spaces, and wildlife areas, identification of historic resources and herbicide use.

Concerns were also raised by First Nations communities with respect to the planning of annual harvests, access to map information, protection of lands used for traditional activities, as well as the protection of lands from which they might make entitlement selections.

Increased harvesting levels resulting from the expansion of mill operations, as proposed by the Company, prompted questions about the availability of staff and resources to ensure adequate planning, monitoring and compliance within the forest management area.

The need to revise the provincial Forest Act so that it better addresses the protection of biological diversity and implement ecosystem based management was raised.

The panel concluded that the forest management plan proposed by Tolko Manitoba Inc. would meet the environmental objectives of Manitobans and was in keeping with sustainable development guidelines. The Panel has recommended

the issuance of a licence under the Environment Act subject to specific conditions.

CONCLUSIONS

The Clean Environment Commission considered the proposal and the public concerns respecting the Tolko Manitoba Inc. 1997-2009 Forest Management Plan Proposal and has concluded that the proposal will meet the environmental objectives of Manitobans, and is in keeping with the Provincial sustainable development guidelines.

TERMS OF REFERENCE

In his letter to the Clean Environment Commission, the Minister of Environment set out the *Terms of Reference* (Appendix A) to be addressed in the public review of the proposed forest management plan and in the Commission's subsequent recommendations. The Panel has provided a response to each topic (appears in italics) identified in the *Terms of Reference*.

- *"...whether an Environment Act Licence should be issued respecting the Repap [Tolko] Manitoba Inc. 1997-2009 Forest Management Plan Proposal."*

The Panel has concluded that the proponent should be issued an Environment Act licence. It was felt that a licence would ensure that the environmental objectives of Manitobans are met.

- *"...the potential environmental impacts of the forest management activities proposed in the Repap [Tolko] Manitoba Inc. 1997-2009 Forest Management Plan Proposal on the biophysical environment, sustainability of all forest values including ecosystems and biological diversity, and land use;"*

Based upon the evidence presented and commitments made during the hearings, the Panel has concluded that environmental impacts can be mitigated. The Panel notes that this is the first *Forest Management Plan* to be prepared in the context of both ecosystems based management and sustainable forest management in Manitoba. The panel also notes that the implementation of ecosystem based management will require a continued focus by government and the forest industry in addressing short and long term forest management planning issues.

- *"...socioeconomic, social, cultural and health impacts directly related to the environmental impacts of the Repap [Tolko] Manitoba Inc. 1997-2009 Forest Management Plan Proposal;"*

The Panel has concluded from the evidence presented at the hearings, that the socioeconomic, social, cultural and health impacts related to environmental impacts of the proposed forest management plan, can be mitigated. Impacts concerning First Nations continue under negotiation or are before the courts.

- *"...measures proposed to mitigate any adverse impacts resulting from the Repap [Tolko] Manitoba Inc. 1997-2009 Forest Management Plan Proposal, and where appropriate, to manage any residual effects;"*

The Panel has concluded that evidence respecting mitigation of potential adverse impacts were presented, discussed and debated during the course of the hearings. The Panel is of the belief that potential adverse impacts can be mitigated and managed satisfactorily.

- *"...proposed plans and procedures for the transportation, handling and disposal of dangerous goods and hazardous materials, and for response to environmental accidents;"*

Much of the discussion with regard to dangerous goods and hazardous material pertained to herbicide use. The Panel has concluded that existing regulations would provide the necessary conditions for controlling the transportation, handling and disposal of dangerous goods and hazardous materials. The Panel also believed that appropriate conditions could be provided in a license to safeguard the environment from the impact of an accident.

- "...monitoring and research which may be recommended in relation to the forest management activities proposed in the Repap [Tolko] Manitoba Inc. 1997-2009 Forest Management Plan Proposal;"

A good deal of evidence and discussion took place during the hearing with respect to monitoring and research. The Panel concluded that this has important ramifications to determining forest sustainability and in implementing ecosystem based management and has concluded that appropriate recommendations, with respect to monitoring and research activities, can be developed.

- "...The Clean Environment Commission recommendations shall incorporate, consider and directly reflect, where appropriate, the Principles of Sustainable Development as contained in Towards a Sustainable Development Strategy for Manitobans, Applying Manitoba's Forest Policies, and in Manitoba's Forest Plan...Towards Ecosystem Based Management."

The Panel has concluded that the principles of sustainable development and, in particular, sustainable development forest policies were considered and addressed throughout the duration of the hearings. The Panel notes the planning undertaken by the proponent to incorporate ecosystem based management concepts into the Plan. However, the Panel is of the belief that a number of conditions would be required in an Environment Act License to ensure the sustainability of the forest and to achieve ecosystem based management.

The panel also noted the desirability of reviewing and revising the Manitoba Forest Act to reflect biological diversity and ecosystem based management.

OBSERVATIONS

ACKNOWLEDGMENT

The Panel acknowledges the cooperation and assistance of the proponent, Tolko Manitoba Inc., the provincial government departments of Natural Resources and Environment, and other participants at the hearing while attempts were made to overcome technical difficulties experienced at the outset of the proceedings. In addition, the Panel notes the high quality of the proponents *Environmental Impact Statement* and professional manner in which it was presented.

OBSERVATIONS

The following Observations contain general comments to government regarding the management of FML Area No. 2. These observations do not form part of the Panel's recommendations respecting the licence application submitted by Tolko Manitoba Inc. They are presented as matters of concern to the Panel which warrant consideration by government.

1. The Panel observes that in order to ensure appropriate planning, monitoring, and compliance of harvest activities the departments of Natural Resources and Environment must have adequate staffing resources. Significant increases in the total volume of wood licenced for harvest must be accompanied by increased staff resources in both Departments.
2. Continued consultation with First Nations communities is required respecting the process for identifying and securing land claims. Careful attention to the protection of selected areas from undue change pending completion of this process is required.
3. The panel believes that Manitoba Natural Resources should aggressively pursue the evaluation and application of modeling techniques for the determination of the Annual Allowable Cut. These modeling techniques should incorporate the concepts of cumulative impacts and the maintenance of biodiversity.
4. Manitoba Natural Resources should assume a leadership role in the development of a management plan for the free ranging wood bison herd in the area of Chitek Lake. This plan should identify herd size, anticipated growth, and range patterns. The impact of forest harvesting activities on the Wood Bison herd should be identified and considered in the development and implementation of the management plan.
5. Manitoba Natural Resources should develop a wild rice management plan for northern Manitoba which takes

- into consideration the impact of wild rice seeding and species growth on water flow and aquatic life.
6. Manitoba Natural Resources should begin the process of reviewing and revising the Forest Act in 1998 to ensure that this legislation reflects a commitment to ecosystem based management for all forest values, and provides for the adequate protection of biodiversity in Manitoba's forests. This review and revision process must involve extensive consultation with all interested parties.
 7. Manitoba Natural Resources should require that all planning activities respecting FML Area No. 2 include consideration of the cumulative impacts of changes to the landscape brought about by wood harvesting, mining operations, and the development of access roads and utility right-of-ways.
 8. Manitoba Natural Resources should aggressively pursue the development of modeling techniques to assist in the prediction of the impacts of harvesting activities on the biota and water yield of the licence area.
 9. The Manitoba Natural Resources guidelines related to the establishment and management of buffer zones and leave blocks should be reviewed and, where necessary, revised. Consideration should be given to the impacts that forest harvesting activities in these areas might have with respect to the maintenance of biodiversity and the replication of natural disturbance patterns.
 10. The panel believes that Manitoba Environment should encourage the development of assessment documentation respecting licensing proposals which takes advantage of emerging technologies. Use of the Internet for the posting of environmental impact statements and summary documentation, along with the distribution of documentation on computer diskettes should be considered as first steps towards ensuring widespread access to environmental assessment information.

RECOMMENDATIONS

The panel recommends that an Environment Act licence be issued to Tolko Manitoba Inc. for the management of FML Area No. 2, subject to the following conditions.

1. No harvesting of oak, ash, elm, maple, or cedar shall take place within FML Area No. 2. All occurrences of these species shall be identified, and adequate measures taken to ensure their protection from harvesting activities.
2. Respecting road development:
 - a. There shall be no through road or similar connection between PTH #6 and PTH #60. Road access to the Pickerel Lake and Chitek Lake area shall be "seasonal" with route planning to ensure minimum impact on woodland caribou and wood bison herds ranging or migrating through this area.
 - b. Road development projects, and road decommissioning programs, shall be planned in consultation with the impacted local communities and resource harvesters on an ongoing basis.
 - c. An up-to-date inventory of all culverts and stream crossings shall be developed and specific plans for the decommissioning of these structures shall be included in all future road development.
 - d. Effective control measures shall be used to reduce access to sensitive areas and decommissioned or closed roads.
3. Tolko Manitoba Inc. shall work with the Manitoba Heritage Resources Branch and other agencies and organizations to prepare a cultural/archeological management plan for the licence area. Tolko Manitoba Inc. shall be responsible for ensuring that pre-harvest survey crews and harvesting contractors are trained to identify and protect archeological sites. Adequate buffer zone protection shall be provided around all cultural/archeological sites.
4. Tolko Manitoba Inc. shall ensure that First Nations communities within the licence area are fully appraised in advance of all harvesting activities, including road building and decommissioning plans, which may impact their communities, and shall ensure that appropriate maps and related planning documents are made available to First Nations community leaders on an ongoing basis.
5. Softwood harvesting volumes of 1,800,000 cubic metres, and hardwood harvesting volumes of 890,000 cubic metres shall not be exceeded until such time as Annual Allowable Cut calculations are researched and verified.
6. *Annual Operating Plans* shall include specific strategies to ensure that areas of karst topography, particularly those in the Grand Rapids Uplands, are identified and protected from harvest. In addition, adequate buffers must be planned to limit the disturbance to any significant geophysical features, including endangered spaces and vulnerable wildlife habitats such as those of the brown bat.

7. Tolko Manitoba Inc. shall be required to consult on an annual basis with major harvesters on the Saskatchewan side of the west boundary of FML No. 2 to ensure that transboundary concerns are addressed, including the coordination of harvesting operations on both sides of the boundary so as to avoid negative impacts.
8. Tolko Manitoba Inc. shall exercise particular caution when harvesting operations approach the boundaries of parks, wildlife management areas, ecological reserves, and other protected areas.
9. Annual *Application Permits* for the use of herbicides shall recognize and offer protection for sensitive areas. In particular, the Panel recommends that particular attention be paid to the protection of the Monarch Butterfly and its habitat.
10. The Forest Resource Advisory Committee (FRAC) shall continue to function and shall be comprised of a broad base of interested stakeholders, including those Manitobans residing outside of the boundaries of FML Area No. 2.
11. All log storage areas shall be located in a manner so as to ensure that leachate cannot directly enter any surface watercourse or body.
12. Tolko Manitoba Inc. shall undertake research activities to establish baseline information upon which future forest harvest operations can be developed so as to "mimic" natural disturbance patterns. The results of this research shall be provided to Manitoba Environment by the year 2005.

Following the Clean Environment Commission's public hearing, Environment Act Licence No. 2302 was issued to Tolko Manitoba Inc., on December 30, 1997, for the Development which is the carrying out of forest management activities within the geographical boundaries of Forest Management Licence Area #02, as detailed in the Repap Manitoba Inc. 1997-2009 Forest Management Plan and approved by Manitoba Natural Resources.

A News Release was issued on January 15, 1998 regarding the Tolko Manitoba Inc. Environment Act Licence.

A Revised Environment Act Licence No. 2302 E was issued on October 8, 1998 after a number of appeals were received and upon consideration of these appeals, the Minister deemed it advisable as per Section 27 of The Environment Act, to vary certain limits, terms and conditions of Licence No. 2302. Changes to Licence No. 2302 include, but are not limited to the following:

1. The inclusion of a new clause addressing First Nations concerns, which ensures that the Licence shall not affect any entitlement of a First Nation to lands under any Treaty or under any Treaty Entitlement Agreement.
2. Ensuring identified protected areas and future protected areas are considered when planning forest management activities.
3. Ensuring permafrost areas are considered when planning forest management activities.
4. The requirement that sufficient buffers be maintained between borrow pits and Provincial Trunk Highways and municipal roads.
5. The inclusion of a new clause which ensures that all travel corridors used by woodland caribou are maintained by the Licencee.
6. The requirement for access management plans to be prepared by the Licencee, in consultation with First Nations communities, other local communities and the Department of Natural Resources.

Note: On January 11, 1999 a revision was made to Licence No. 2302 E. The only revision made was a change in the company name (Tolko Manitoba Inc. to Tolko Industries Ltd.). The Licence No. now reads 2302 E R.

If you have any questions pertaining to the approval process please contact:

Approvals Contact:

Mr. Trent Hreno