



Fort St. James  
Sustainable Forest  
Management

Public Advisory Group

## PAG Meeting

May 9, 2011 [5:30 PM – 9:00 PM]

Forest District Office, Fort St. James

### Meeting Summary

Attendance:

<p><i>Public Advisory Group:</i></p> <p>Beulah Broen                      Peter Rooke Bob Frederick                      Joe Vogl Joanne Vinnedge</p>	<p><i>Steering Committee &amp; Advisors:</i></p> <p>Greg Yeomans – Canfor PG Sara Lazaruk – BCTS Jim McCormack- SFMP Coordinator - Canfor</p>
<p><i>Facilitator &amp; Scribe:</i></p> <p>Dwight Scott Wolfe (Tesera Systems Inc.) – Facilitator Loni Spletzer (Tesera Systems Inc.) – Scribe</p>	<p><i>Observers:</i></p> <p>Shane Neukomm – Carrier Lumber Ltd.</p>

Quorum based on past five meetings: 4

#### 1) Welcome & Introduction

- a) Members signed in – regrets from Henner Grimm – recent knee replacement surgery
- b) Welcome by the Chair of the Licensee Team (Greg Yeomans)
- c) Introduction of PAG members: Introduction of Guests/Observers – Conifex was unavailable this evening but have indicated they may be able to attend at later date, Shane Neukomm - Carrier Lumber representative
  - i) Carrier Lumber Ltd. currently certified with Sustainable Forestry Initiative (SFI) certification (<http://www.sfiprogram.org/>). Reminder that this decision was made because of small company size, various locations including Robson Valley – felt it was better to operate under one SFM Plan. Carrier may be able to attend 1-2 meetings per year to keep PAG apprised of what Carrier is doing since they are active in Ft. St. James. Minutes of PAG meeting could be distributed to Carrier.
  - ii) PAG member asked how the process is different especially since there is no public component as far as a PAG group. Guest explained that there is still public accountability to demonstrate how core indicators are met. Guest explained that there are still values, objectives and Core Indicators from CCFM, but they are now standardized and the company is obligated to show an auditor how these values, objectives and indicators are met.

#### 2) Reviewed Agenda

- a) Agenda accepted as written

#### 3) Reviewed Minutes of the March 28, 2011 Ft. St. James PAG Meeting

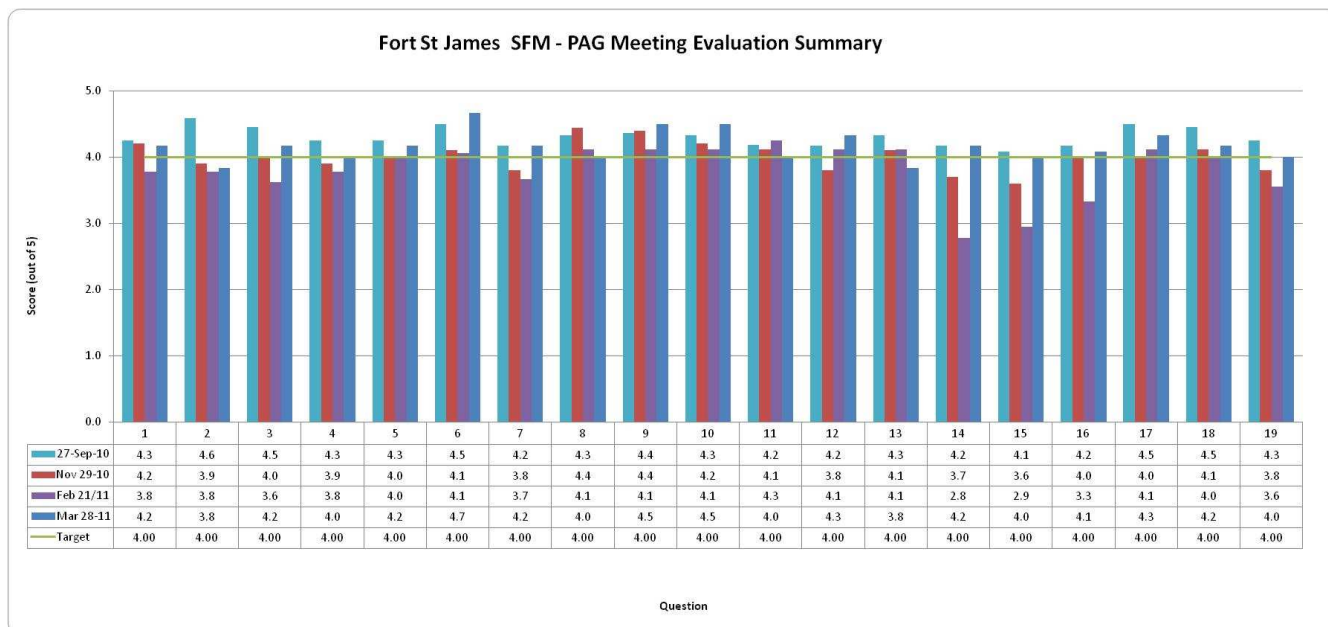
- a) Accepted as written

#### 4) Reviewed Evaluation Results of March 28, 2011 PAG meeting

- a) On or above the targets (min 4.0) for all evaluation points except the following:

<http://www.sfmptgsa.com/>

- i) Q2 (3.8) Agenda followed.
- ii) Q13 (3.8) Facilitator kept the meeting focused.
- b) Comments such as: “Painful meeting, try to stay focused”



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|---|--|
| 1. Amount of time given to review the meeting agenda prior to the meeting | 11. Facilitator addressed process issues           |
| 2. Agenda followed  | 12. Facilitator remained neutral on content issues |
| 3. Actions updated  | 13. Facilitator kept the meeting focused           |
| 4. Meeting summary captured decisions & action items                      | 14. Licensees organized and prepared               |
| 5. PAG Terms of Reference followed  | 15. Information presented clearly                  |
| 6. PAG members actively involved in the meeting                           | 16. Your satisfaction with this PAG meeting        |
| 7. The atmosphere of the meeting  | 17. Suitability of the Meeting facility            |
| 8. Facilitator was organized and prepared                                 | 18. Meals and refreshments                         |
| 9. Facilitator strived for consensus decision-making                      | 19. Your overall satisfaction with the PAG process |
| 10. Facilitator actively listened to concerns and viewpoints              |  |

**5) Criterion 5 Economic and Social Benefits: Indicator Comparison and Discussion**

- a) LSC reviewed the Criterion 5 Mandatory Discussion Items:
  - i) Benefits for local communities and Aboriginal Peoples (cultural, spiritual, economic, health, etc)
  - ii) Fair distribution of benefits and costs
  - iii) Proportion of goods and services sourced from local communities (to the extent that they are available and reasonably cost-competitive)
- b) **Core Indicator 5.2.1 - Level of investment in initiatives that contribute to community sustainability**
  - i) This discussion is a continuation of the one when the proposed Core Indicator was first presented at the February 21<sup>st</sup> PAG meeting.

- ii) Proposed Core Indicator 5.2.1. Investment in local communities. Target: % of dollars spent in local communities (5-year rolling average). Variance: -20%
- iii) Existing Indicator #48: Percent of operational forestry contract value in dollars within the DFA serviced by north central British Columbia. Target: 90%, achieved annually (excluding BCTS) Variance: -10%
- iv) Discussion:
  - LSC Recommendation: Replace Indicator #48 with the new indicator “Investment in local communities”.
  - LSC reviewed rationale for replacing current indicator and why the target is reduced:
    - (a) Previously the data source was the North Central Interior. The LSC is now proposing to narrow the scope to Fort St. James-specific data as local data is more meaningful.
    - (b) By using Baseline data, the LSC can show increases or decreases over time.
    - (c) Setting a target using a 5 year rolling average allows for fluctuations.
    - (d) A higher variance:
      - (i) Allows for fluctuations.
      - (ii) Required for a smaller target .
      - (iii) Allows for BCTS contracting rules.
  - LSC provided a Summary of Baseline Spending:
    - (i) Propose using FSJ Contract Data as Baseline for BCTS
    - (ii) Total Volume is reported in Criterion 2
    - (iii) BCTS Average is 29% of total contract dollars spent in FSJ at \$600,000
    - (iv) BCTS (last 5 years) average stumpage is \$11,720,409
    - (v) Canfor average is \$12,690,868 or 64%
    - (vi) BCTS levels may fluctuate more dramatically because contracts cannot be directed specifically to a community but must be open to all qualified bidders.
  - PAG member wanted to address this Criterion in general terms re: communities and sustainability. PAG member wants to see how the Licensees give money the community in other ways (in addition to contract value). PAG member is interested in seeing how the Licensees support the local hospital or local youth, swimming pools, donation moneys, educational facilities, etc. PAG member asked for a comparison of local investment to investment in other communities (e.g. Houston vs Fort St. James). Advisor responded that Canfor donations do go to facilities like the Houston swimming pool, educational scholarships, United Way, etc.

**Action Item #1:** LSC to meet and discuss PAG concerns of investment in local communities. Due: Next meeting.

- PAG member would like to know what is being done over and above the standard procedures to hire local contractors where feasible and available. LSC responded that there is a significant effort to hire local contractors. PAG member wonders if this has changed in the last 5 years (are the licensees doing more now than before?).
  - PAG member wonders if the numbers will be more spread out again if the Indicator is the same for other areas (ex. Vanderhoof, Houston, Prince George). The indicator will be consolidated, but the targets will be different for each area (DFA) based on the postal codes of contractors in each specific area.
  - PAG member wonders about keeping the 10% variance. He understands it is easier for auditing. LT explained that 10% may be difficult when dealing with just Ft. St. James numbers
  - Advisor explained that the variance also captures anomalies (anomaly trigger).
- v) PAG consensus to replace Indicator #48 with the proposed Core Indicator 5.2.1: Investment in local communities. Target: % of dollars spent in local communities (5-year rolling average). Variance: -20%.
- c) **Core Indicator: 5.2.3 - Level of direct and indirect employment**
- i) Proposed Core Indicator 5.2.3. Level of direct and indirect employment. Target: Cut Allocation\* employment multiplier. Variance: 0.
- ii) Existing Indicator #49: Percentage of advertised employment opportunities published in the local paper. Target: 100%. Variance: 0.
- iii) Discussion:
- LSC Recommendation: Replace Indicator #49 with the new indicator “Level of direct and indirect employment”.
  - LSC reviewed rationale for replacing current indicator:
    - (a) New indicator provides ability to compare harvest levels with employment.
    - (b) Propose calculating on an annual basis.
  - Two approaches to calculating the Employment Multiplier were presented:
    - (a) BC Statistics:
      - (i) Based on 2006 Census data for BC communities.
      - (ii) Provides an economic multiplier of 1.72 jobs/1000m<sup>3</sup>.
      - (iii) Based on this economic multiplier, the estimated level of direct and indirect employment in Fort St. James is approx 2886 jobs.
    - (b) “State of the Forests” statistics from Natural Resources Canada:
      - (i) Based on the 2008/09 State of the Forests report.
      - (ii) Provides an economic multiplier of 4.42 jobs/1000m<sup>3</sup>

(iii)Based on this economic multiplier, the estimated level of direct and indirect employment in Fort St. James is approx. 7433 jobs.

- PAG member said that the 4.42 jobs/ 1000 m3 is for forestry all across Canada so there are some problems with using this number. The LSC noted that number here in Ft. St. James is an amalgamated summation compared to Houston, Prince George, etc. so the numbers may be a bit too high for Ft. St. James.
  - PAG feels that the State of the Forest economic multiplier shows that wood from here is supporting a lot of jobs outside of Ft. St. James. This number does not appear to be realistic for Ft. St. James.
  - PAG members feel that the BC Statistics economic multiplier may be more accurate for the local area even though the source data is older. PAG members feel that this makes much more sense. LSC agreed to use the BC Statistics economic multiplier when calculating this indicator.
  - PAG member asked if Ft. St. James is more vulnerable than other communities. LSC responded that other communities are actually more vulnerable because they are not as diverse in economy according to the vulnerability scores in the BC Stats report.
  - PAG member asked about huge waste piles (too much spiral) - if there is a focus on better utilization, could there be more employment? It is her opinion that much of the waste goes up in smoke rather than being used for pellets, bioenergy, etc. LSC responded that actual cut includes waste and residue left on site (charged against annual allowable cut). PAG member wants to know that all opportunities are explored to ensure employment where feasible.
  - PAG member asked about how the auditors will review this indicator. LT responded that this is a Core Indicator and there must be a report out on level of direct/indirect employment. If auditors find issues they will suggest an action.
  - The formula used to calculate the indicator will be described on the Indicator detail sheet.
- iv) PAG consensus to replace Indicator #49 with the proposed Core Indicator 5.2.3 Level of direct and indirect employment. Target: Cut Allocation\* employment multiplier. Variance: 0.
- d) **Core Indicator: 5.2.4 - Number of opportunities for First Nations to participate in the forest economy**
- i) This is a new indicator in the SFM Plan.
    - Proposed Core Indicator 5.2.4: Number of opportunities for First Nations to participate in the forest economy Target: 9. Variance -1.
  - ii) Discussion:
    - LSC Recommendation: Add proposed Core Indicator 5.2.4: *Number of opportunities for First Nations to participate in the forest economy Target: 9. Variance -1* to the SFM Plan.

- Number of opportunities comes from a baseline assessment of the total opportunities between Canfor and BCTS from 2006-20010 (a multi-year rolling average).
- Opportunities” would be defined in the Indicator detail sheet.
- Indicator would be reported as a 5-year rolling average.

iii) PAG consensus to add new Indicator and Target statements to the SFM Plan:

- Core Indicator 5.2.4: *Number of opportunities for First Nations to participate in the forest economy Target: 9. Variance -1.*

## 6) Criterion 6 Society’s Responsibility: Indicator Comparison and Discussion

a) LSC reviewed the Criterion 6 Mandatory Discussion Item:

i) Development of working relationships with willing Aboriginal communities and/or people

b) **Core Indicator 6.3.2. – Evidence of co-operation with DFA-related workers and their unions to improve and enhance safety standards, procedures, and outcomes in all DFA-related workplaces and affected communities; and Core Indicator 6.3.3 - Evidence that a worker safety program has been implemented and is periodically reviewed and improved.**

i) This is a new indicator in the SFM Plan.

- Proposed Core Indicator 6.3.2 and 6.3.3.: *Implementation and maintenance of a certified safety program. Target: 100%. Variance: -10%.*

ii) Discussion:

- LSC Recommendation: add proposed Core Indicator 6.3.2 and 6.3.3.: Implementation and maintenance of a certified safety program. Target: 100%. Variance: -10%.
- This indicator will be reported annually.
- PAG member questions how safety relates to economic diversity and community resilience. LSC responded that the CSA standard links safety to community well-being.

iii) PAG consensus to add new Indicator and Target statements to the SFM Plan:

- Proposed Core Indicator 6.3.2 and 6.3.3.: *Implementation and maintenance of a certified safety program. Target: 100%. Variance: -10%.*

c) **Core Indicator 6.5.1. - Number of people reached through educational outreach**

i) This discussion is a continuation of the one when the proposed Core Indicator was first presented at the March 28<sup>th</sup> PAG meeting.

ii) This is a new indicator in the SFM Plan

- Proposed Core Indicator 6.5.1: The number of people to whom educational opportunities are provided. Target 50. Variance: -10.

iii) Discussion:

- LSC Recommendation: Add proposed Indicator Statement: The number of people to whom educational opportunities are provided. Target 50. Variance: -10.
- The LSC has not been able to contact Sandra Sulyma in reference to Action Item Mar 28-03. Sara to continue trying to contact Sandra Sulyma re: social outreach.
- PAG member worried about the rationale or intent of this indicator coming up with only 50 – is this a number that you are already achieving? What is the goal long-term? LSC reiterated that there are already activities that Canfor/BCTS are providing and the numbers are possibly higher than the 50, but it is currently not known. LSC will continue to monitor annually and report back.
- PAG member suggested that the number of people is less important than the “number of educational opportunities”.
- PAG suggested a revision to the proposed Indicator statement to *The number of educational opportunities provided. Target: 5. Variance: 1*. LSC agreed to this wording change.
- The types of educational opportunities will be described in the Indicator detail sheet.
- The actual educational opportunities and number of people visited will be provided in the Annual Report.
- PAG member concerned that the public is not assessed after information is distributed. Do they buy in and understand? LSC stated that this is discussed under SFM Element 6.4 — Fair and effective decision-making

iv) PAG consensus to add new Indicator and Target statements to the SFM Plan:

- Revised Core Indicator 6.5.1: *The number of educational opportunities provided. Target: 5. Variance: 1.*

7) Other

- a) LT asked about starting meetings at 5 pm to cover more material
- b) PAG members ok with starting 30 minutes earlier

8) Update Action Items (see table below)

- a) Action Item Feb 21-03: BCTS will find out who the local contractors are and the value of the contracts awarded to local contractors. This action will be reviewed at the next meeting. Action Completed.
- b) Action Item Mar 28-01: Representatives from Apollo Forest Products, Carrier Lumber, Conifex and Dunkley were contacted. Action completed.
- c) Action Item Mar 28-02: PAG member was contacted regarding examples of poor deactivation practices. Action completed.
- d) Action Item Mar 28-03: LSC to continue to attempt to contact with Sandra Sulyma on social outreach. Due: Next meeting

- e) Action Item Mar 28-04: LSC investigated the source of the Recreation Survey and determined that the survey was commissioned by the Chief Forester and undertaken by UBC. A report has been completed but not yet published. Action completed.

**9) Next Meetings: June 13, 2011 5: 00 – 9:00 pm at the Fort St. James Forest District Office**

**Action Items:**

	ACTION	WHO	DEADLINE	STATUS
Feb 21-03	BCTS will find out who the local contractors are and the value of the contracts awarded to local contractors.	BCTS	Future Meetings	Completed
Mar 28-01	Contact representatives from Apollo Forest Products, Carrier Lumber, Conifex and Dunkley and encourage their participation in future PAG meetings.	LSC	Next Meeting	Completed
Mar 28-02	Follow-up with PAG member on examples of poor deactivation practices.	LSC	Next Meeting	Completed
Mar 28-03	Request more information from Sandra Sulyma on social outreach.	LSC	Next Meeting	
Mar 28-04	LSC to find out the source of the survey and report back on whether there is a local interest by the LSC to relax constraints of Visual Quality Objectives for salvage of Mountain Pine Beetle timber.	LSC	Next Meeting	Completed
May 9-01	Meet and discuss PAG concerns of investment in local communities.	LSC	Next Meeting	