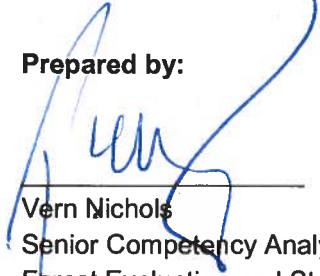


Independent Forest Audit Provincial Action Plan -2010-

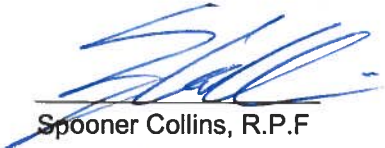
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Gordon Cosens Forest
Kenogami Forest
Ogoki Forest
Red Lake Forest
Spanish Forest
Wabigoon Forest
Cochrane-Moose River Management Unit
Iroquois Falls Forest
Smooth Rock Falls Forest

April 1, 2005 – March 31, 2010
Ontario Ministry of Natural Resources



Submission Page**Prepared by:**


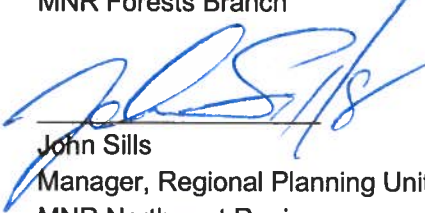
Vern Nichols
Senior Competency Analyst, Biologist
Forest Evaluation and Standards Section
MNR Forests Branch

Date: Nov 9, 2011**Reviewed by:**


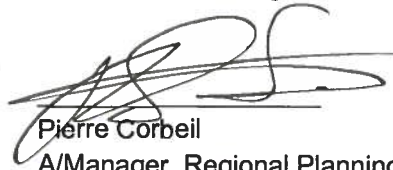
Spooner Collins, R.P.F.
Supervisor, Forest Evaluation and Reporting Unit
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Date: Nov 9, 2011


for Jim Steele, R.P.F.
A/Manager, Forest Evaluation and Standards Section
MNR Forests Branch

Date: Nov 9, 2011


John Sills
Manager, Regional Planning Unit
MNR Northwest Region

Date: Nov 16, 2011


Pierre Corbeil
A/Manager, Regional Planning Unit
MNR Northeast Region

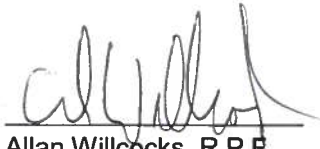
Date: Dec 09/11


Monique Rolf von den Baumen-Clark
Manager, Regional Planning Unit
MNR Southern Region

Date: Dec 16, 11

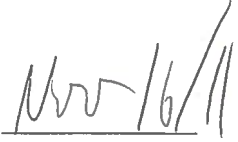
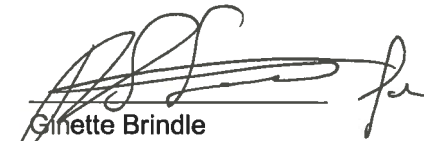
Endorsement Page

Endorsed by:



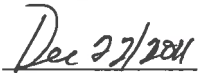
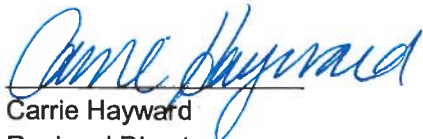
Allan Willcocks, R.P.F.
Regional Director
MNR Northwest Region

Date:

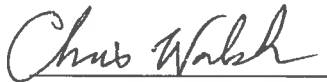
Ginette Brindle
Regional Director
MNR Northeast Region

Date:

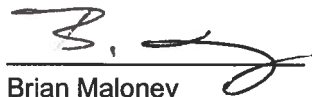
Carrie Hayward
Regional Director
MNR Southern Region

Date:

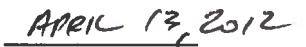
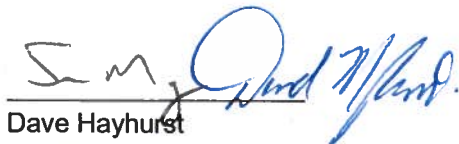
Chris Walsh, R.P.F.
Director
MNR Forests Branch

Date:

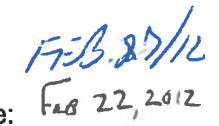
Brian Maloney
Director
MNR Geographic Information Branch

Date:

Dave Hayhurst
A/Director
MNR Industry Relations Branch

Date:



For

2010 IFA Annual Provincial Action Plan
Approval Page

Approved by:



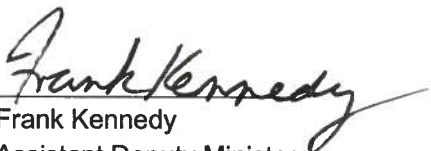
Rosalyn Lawrence
Assistant Deputy Minister
MNR Policy Division

Date: May 18/12



~~David deLaunay~~ **CARRIE HAYWARD**
A | Assistant Deputy Minister
MNR Regional Operations Division

Date: May 15, 2012



Frank Kennedy
Assistant Deputy Minister
MNR Science and Information Resources Division

Date: April 25/2012



~~Bill Thornton~~ **KATHLEEN MCFADDEN**
A | Assistant Deputy Minister
MNR Forestry Division

Date: May 2/2012

INTRODUCTION

Independent Forest Audits (IFA's) covering the period from April 1, 2005 to March 31, 2010 were conducted on eleven Forest Management Units (FMU's) in Ontario in 2010. These FMU's included the Dog River-Matawin Forest, the English River Forest, the Gordon Cosens Forest, the Kenogami Forest, the Ogoki Forest, the Red Lake Forest, the Spanish Forest, the Wabigoon Forest, the Cochrane-Moose River Management Unit, the Iroquois Falls Forest, and the Smooth Rock Falls Forest. The audits were undertaken according to the Independent Forest Audit Process and Protocol (IFAPP) which meets the requirements of the *Crown Forest Sustainability Act* (CFSA) and the conditions of *MNR's Class Environmental Assessment for Forest Management in Ontario* (2003) as amended. It also meets the requirements of *Ontario Regulation 160/04* made under the CFSA (governing Independent Forest Audits).

This action plan addresses 27 Ministry of Natural Resources (MNR) corporate/regional recommendations included in the 2010 IFA's. It is organized by principle, audit recommendation and response as prescribed in IFAPP Appendix E – Action Plans and Status Reports. The action plan contains the following information in response to each audit recommendation:

- action(s) required;
- deadline date;
- organization and position responsible; and
- method of tracking progress.

Recent changes in the Ontario Legislature made during the writing of this action plan have resulted in the business functions of forestry transferring from the Ministry of Northern Development Mines and Forests (MNDMF) to the Ministry of Natural Resources (MNR). Consequently, *recommendations* made by auditors that were directed to MNDMF have been addressed by MNR in this action plan.

Sustainable Forest Licence (SFL) extension recommendations are provided at the end of this action plan.

Provincial action plans must be submitted annually for MNR approval within two months of receipt of the last final audit report for the year, unless otherwise directed by the Minister. For 2010 audits, the last final audit report for the year was received by Forests Branch on September 3, 2011. Therefore, this Provincial Action Plan is due for submission on November 3, 2011.

The approved provincial action plan is available through MNR's public website once the audit reports have been tabled in the Legislature.

The progress towards implementing this action plan will be reported in a separate status report submitted two years following approval of the action plan.

RECOMMENDATIONS

Principle 2: Public Consultation and Aboriginal Involvement

OGOKI FOREST RECOMMENDATION 1:

Corporate OMNR should engage in discussions with the OMOE to investigate modification(s) to the IEA and/or the forest management planning process to reduce the social, economic and workload impacts of the Issue Resolution/IEA processes.

Actions Required:

1. As part of the process to amend MNR-71, MNR submitted its Request for Amendment to Declaration Orders MNR-71 and MNR-74 to the Ministry of the Environment (MOE) in 2010. The above recommendation is specifically addressed through requested amendments to Condition 8. The requested amendments that MNR is attempting to secure would improve the Individual Environmental Assessment (IEA) request review process by:
 - ensuring potential IEA requesters participate in the development of a forest management plan, particularly by requiring an IEA requester to participate in Issue Resolution if they have an unresolved issue for which they wish to submit an IEA request;
 - providing guidance to requesters as to the types of issues MOE will consider as legitimate IEA requests; and
 - removing the requirement for MNR to seek concurrence from MOE to implement forest operations in areas of the management unit unaffected by the IEA request(s).
2. The forest management planning conditions of the new Declaration Order will be incorporated into a new version of the Forest Management Planning Manual (FMPM) once MOE has finalized its consideration of MNR's requested amendments.

Deadline Date:

1. Completed. MNR submitted its Request for Amendment to Declaration Orders MNR-71 and MNR-74 in November 2010.
2. Completion date is contingent on MOE completing its review of MNR's requested amendments.

Organization and Position Responsible:

- 1 & 2. Manager, Forest Management Planning Section, Forests Branch, MNR.

Method of Tracking Progress:

1. MNR's Request for Amendment to Declaration Orders MNR-71 and MNR-74.
2. Revised FMPM.

GORDON COSENS FOREST RECOMMENDATION 2:

Corporate MNR will discuss with Nishnawbe-Aski Nation and the forest sector how the co-existence of timber management and trapping can be improved.

Actions Required:

The Boreal Landscape Guide has been developed and is awaiting final approval. This Guide provides direction for maintaining the integrity of the natural forest ecosystem to conserve biodiversity and provide habitat for a wide range of furbearing species. The guide will be implemented as part of local forest management plan development along with social and economic considerations. Multidisciplinary forest management planning teams have received training concerning the scientific studies and tools supporting the Guide's direction and further training will take place as part of ongoing forest management planning development.

Concerns regarding the overlap of proposed operating areas and trap lines are addressed at the local level as part of the forest management planning process. Aboriginal communities may elect to have individuals sit on teams to ensure that community interests are addressed during the development of plans including those interests related to trapping.

Deadline Date:

The action is dependent on the completion of the Boreal Landscape guide (due 2012) and on the Guide being fully implemented in forest management planning (2014).

Organization and Position Responsible:

Supervisor, Guides Unit, Forests Branch, MNR.

Method of Tracking Progress:

Boreal Landscape Guide and associated training agendas and notes (multidisciplinary forest management planning teams have received training supporting the Guide's direction).

Principle 3: Forest Management Planning

GORDON COSENS FOREST RECOMMENDATION 5:

MNR Region shall provide input into FMPs which replaces the present 'post-suppression fire cycle' with a 'disturbance cycle' which includes impacts of fire, insects, and wind damage. In calculating the fire-cycle component of the 'disturbance cycle', MNR shall use a more cautious approach to estimating the post-suppression fire cycle than is presently employed, taking into account the relative scarcity of data available for the calculation.

Actions Required:

1. MNR will continue to update inventories to reflect disturbances including those that are single-event or infrequent (e.g. windthrow) as they occur as directed by the FMPM.
2. During development of the Checkpoint – Support for Base Model Inventory and Base Model MNR Northeast (NE) Region will ensure the Planning Team evaluates and employs the best available data sets, procedures and methodologies to determine appropriate 'Natural Disturbances and Succession' model inputs including local and regional fire history data, literature, forest insect data surveys, etc.

Deadline Date:

- 1 & 2. Ongoing. Evaluation and work-ups to be completed by appropriate members of the Regional Modelling Task Team during the development of the Checkpoint – Support for Base Model Inventory and Base Model.

Organization and Position Responsible:

- 1 & 2. The MNR NE Regional Forest Landscape Specialist (lead) and the MNR NE Regional Analyst will assist with development of natural disturbance model inputs.

Method of Tracking Progress:

- 1 & 2. Review during the development of the Checkpoint – Support for Base Model Inventory and Base Model.

WABIGOON FOREST RECOMMENDATION 6:

Corporate MNR shall augment the methodology provided in the FMPM for assessing the sustainability of a forest management plan to make it more robust.

Actions Required:

A review of all aspects of the current FMPM will be undertaken as part of the process for publishing a revised FMPM anticipated to come into effect April 1, 2014. That review will consider changes to the methodology for the assessment of sustainability and the outcomes will be reflected in the revised version of the FMPM.

Deadline Date:

Next revision of the FMPM which is anticipated to come into effect in 2014.

Organization and Position Responsible:

Manager, Forest Management Planning Section, Forests Branch, MNR.

Method of Tracking Progress:

Methodology for the assessment of sustainability in revised FMPM.

WABIGOON FOREST RECOMMENDATION 9:

Corporate MNR shall ensure that the publicly available documentation associated with plan amendments includes a copy of the amendment approval page with all approving signatures & showing the approval date.

Actions Required:

There are currently issues related to the recognition of electronic signatures by the professional forestry association and technological limitations for the Forest Information portal. MNR is reviewing how electronic FMP information is processed, maintained, and made available to the public. The public availability of amendment approvals will be considered as part of the review and appropriate actions will be implemented.

Deadline Date:

March 31, 2012.

Organization and Position Responsible:

Manager, Forest Management Planning Section, Forests Branch, MNR.

Method of Tracking Progress:

Results of review and subsequent actions implemented.

COCHRANE-MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION 3, SMOOTH ROCK FALLS FOREST RECOMMENDATION 5, IROQUOIS FALLS FOREST RECOMMENDATION 5:

Corporate MNR, in consultation with the Ministry of Environment, must investigate and report upon lessons learned in the amalgamation and associated planning challenges encountered in the creation of the Abitibi River Forest to ensure information management systems and other procedures are adequate to deal with future amalgamations.

Actions Required:

1. MNR Forests Branch will review and if necessary, revise the Forest Management Procedure – Forest Management Unit Designation (FOR 02 01 01) as part of its regularly scheduled review of this procedure. The procedure describes the administrative process and considerations related to the proposal and designation of management units under Section 7 of the CFSA. This procedure identifies requirements regarding information management and identifies forest resource inventory as a significant consideration.
2. During the review of this Procedure, MNR Forests Branch will consult MNR NE regional staff who have recently been involved in management unit amalgamations to review successes or failures and to discuss lessons learned.
3. Regional and district MNR staff and the forest industry shall follow Procedure 02 01 01 during future amalgamations to ensure information management systems and forest inventories are adequate.

Deadline Date:

- 1 & 2. August 31, 2012.
3. Ongoing as part of management unit amalgamations.

Organization and Position Responsible:

- 1 & 2 Manager, Forest Management Planning Section, Forests Branch, MNR.
3. Regional Forest Program Specialist, Northeast Region, MNR.

Method of Tracking Progress:

- 1 & 2. Forest Management Procedure (FOR 02 01 01) and notes, minutes and correspondence resulting from review.
3. Amalgamation proposals and documentation.

COCHRANE-MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION 4, SMOOTH ROCK FALLS FOREST 6, IROQUOIS FALLS FOREST 6:

Corporate MNR must consider requiring that trade-off analysis be conducted using an appropriate decision support tool on amalgamated forests.

Actions Required:

All the requirements for forest management planning, including analysis, are described in the 2009 FMPM. The FMPM describes the use of decision support systems in forest management planning. Decision support systems are selected by the planning team to facilitate strategic analysis in the development of the long-term management direction and the planning of operations.

All components (e.g., models or analysis tools) of the decision support system to be used in a forest management plan are described in the plan's terms of reference. Any components of the decision support system that are not on the approved list of tools as specified by Directive FOR 02 02 01 *List of Approved Analytical Tools for Use in Forest Management Planning* will have to be approved by the Director of MNR's Forests Branch prior to inclusion in the terms of reference. MNR encourages the use of the most appropriate suite of analysis tools to help planning teams develop the best long term management direction for their FMU.

Deadline Date:

Ongoing, as part of the forest management planning process. The tools and processes for trade off analysis are currently in place. Selection of the appropriate decision support tool for the management unit will occur during forest management plan preparation.

Organization and Position Responsible:

Supervisor, Forest Analysis and Modelling Unit, Forests Branch, MNR (lead for Directive FOR 02 02 01); Northeast Regional Director, MNR (approval of Terms of Reference, FMP), Director, Forests Branch, MNR (approval of decisions support tools not in Directive).

Method of Tracking Progress:

Directive FOR 02 02 01 and approved forest management plan terms of reference.

COCHRANE-MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION 7, SMOOTH ROCK FALLS FOREST 9, IROQUOIS FALLS FOREST 9:

MNR Region must update the Northeast Region Operations Guide for Marketability Issues document as follows:

- reduce the allowance for residual standing trees to no more than 25% canopy closure to better align the Guide with inventory standards

- incorporate a requirement to provide information, in addition to the current FRI description, to confirm actual stand conditions prior to finalizing operational plans
- clarify the allowance for bringing unmarketable trees to roadside in order to minimize the loss of productive area along roadways

Actions Required:

1. The Northeast (NE) Regional Forest Forum will assess and prioritize the need to review and revise the *Northeast Region Operations Guide for Marketability Issues* (NE Region Utilization Strategy) as part of its annual priority setting process.
2. The NE Regional Forest Forum will conduct a face-to-face session to review and assess the NE Region Utilization Strategy and make recommendations to NE Region Leadership Team (NELT).
3. Depending on NELT direction, updates to the NE Region Utilization Strategy will be discussed at the MNR / SFL NE Region Forest Solutions Forum and as a result of the findings, the NE Region Utilization Strategy will be updated.

Deadline Date:

1. Completed January 2011.
2. Completed September 2011
3. Bi-Annual NER Forest Solutions Forum, December 2011 and Utilization Strategy update, March 2012.

Organization and Position Responsible:

- 1, 2 & 3. Regional Forest Program Specialist, Northeast Region, MNR (lead)

Method of Tracking Progress:

- 1 & 2. Meeting minutes.
3. Meeting minutes and NER Utilization Strategy.

COCHRANE-MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION 10, SMOOTH ROCK FALLS FOREST 12, IROQUOIS FALLS FOREST 12:

Corporate MNR must develop a policy to address waste fibre management, consistent with the intent of minimizing losses of productive forest land, and provide associated direction to MNR regions, districts and the forest industry, including standards for acceptable allowances for conversion of productive forest land to non-productive forest land. MNR should also periodically report to the public the cumulative loss of area and growing stock potential due to forest land occupied by waste fibre.

Actions Required:

1. The guideline quoted from the Stand & Site Guide is intentionally broad to allow individual planning teams to develop slash management protocols that are suitable to their specific circumstances. The guide provides planning teams with a number of best management practices, identified in section 5.2.4 and in Appendix 5.2c, on possible options for dealing with slash and reducing the amount of productive land lost. The extent to which the bioeconomy develops over the next few years may affect the amount of unutilized woody material left at roadside, and hence the significance of the amount of productive land being covered by slash and chip piles. Meanwhile, Regional Operations Division is exploring methods of dealing with slash management in recent cut blocks and sharing the results with the authors of the Stand & Site Guide for future revisions of the guide.

During the five-year review of the Stand & Site Guide scheduled for 2015, Guides Unit staff will examine the development and impact of the bioeconomy, in particular, its reliance on unutilized woody material on the amount of productive land being lost to slash and chip piles, as well as the results of the slash management practices being implemented by Regional Operations Division.

2. MNR Forests Branch will undertake a review of potential methods for assessing and reporting on the amount of productive forest area occupied by waste fibre. If warranted based on the results of the review, the amount of productive area occupied by waste fibre will be reported in future provincial reports.

Deadline Date:

1. December 31, 2015
2. October 1, 2012

Organization and Position Responsible:

1. Supervisor, Guides Unit, Forest Policy Section, Forests Branch, MNR.
2. Supervisor, Forest Evaluation and Reporting Unit, Forests Branch, MNR.

Method of Tracking Progress:

1. Results of the five-year review of the Stand and Site Guide
2. Provincial Action Plan Status Report.

Principle 4: Plan Assessment and Implementation**ENGLISH RIVER FOREST RECOMMENDATION 4:**

Ontario Ministry of Natural Resources must ensure that forest management planning team members or advisors are not also plan reviewers.

Actions Required:

MNR re-evaluated the applicable direction provided in the FMPM regarding draft forest management plans. Forest management plan reviewers must have in-depth knowledge of the forest management planning process and associated policies, regulations and technical guidance, as well as familiarity with the particular forest and the development of the draft forest management plan. This type of knowledge is typically only held by those who have been involved in the development of the draft plan. This fact is recognized in the FMPM by the statement that in most situations plan reviewers will be familiar with the plan having participated on, or provided advice to the planning team.

Nothing from the review indicates a need to change this FMPM direction. Plan reviewers are selected at the local level based on the specific circumstances and the availability of qualified reviewers.

Deadline Date:

Completed October, 2011.

Organization and Position Responsible:

Manager, Forest Management Planning Section, Forests Branch, MNR

Method of Tracking Progress:

2009 FMPM.

ENGLISH RIVER FOREST RECOMMENDATION 11:

Ontario Ministry of Natural Resources should provide access as soon as possible to the new forest resource inventory imagery for operational purposes at a site in northwestern Ontario.

Actions Required:

1. An approved schedule with established timeframes and completion dates for imagery acquisition and processing, which contractors and MNR are subject to, exists. The process for imagery acquisition and production is as follows:

- flown imagery is obtained from the contractor in late fall to early spring. The delivery is typically staged according to a production plan;
- FRI staff perform quality control routines;
- imagery is sent to the Information Access Section (IAS) in Peterborough; and
- IAS provides access to the imagery files, upon request.

FRI imagery products for English River were available according to the production schedule. Technology to view the aerial photography exists and is available to the forest sector.

2. All FRI data and imagery that is available including the new forest resource inventory imagery for north-western Ontario can be downloaded from the 'Search for Data and Imagery' page of the Land Information Ontario (LIO) website.
3. The Ministry of Natural Resources will provide the link to the LIO website to the SFL holder of the English River Forest.
4. The Ministry of Natural Resources and Forestry Futures Trust Committee are working on development of a suite of technical transfer tools titled *Enhanced FRI Knowledge Transfer and Tools Development*. This project is investigating delivering beginner level remote sensing courses for FRI's new digital imagery products and developing documentation intended to assist new users of the FRI technology.

Deadline Date:

- 1 & 2. Completed and made available according to production schedule.
3. February 29, 2012.
4. Development by December, 2012. Delivery by June 2013

Organization and Position Responsible:

- 1 & 2. Manager, Information Access Section, Geographic Information Branch, MNR.

3. Manager, Forest Evaluation and Standards Section, Forests Branch, MNR.
4. Coordinator, Forest Resource Inventory, Inventory Monitoring and Assessment Section, MNR.

Method of Tracking Progress:

- 1 & 2. Available FRI imagery.
3. Workshop announcements, agendas, training delivery (MNR and SFL's have received developed training). Documentation to assist users with new FRI.

Principle 6: Monitoring

KENOGAMI FOREST RECOMMENDATION 7:

Corporate MNR should require that district MNR silviculture effectiveness monitoring (SEM) results be incorporated into the Annual Report process and used to validate the analysis of silvicultural and renewal success conducted by the SFL holder.

Actions Required:

1. MNR Forests Branch is currently reviewing the provincial SEM program. The inclusion of district SEM results in FMU annual reports and the use of district SEM results in the validation of SEM analyses will be considered as part of this review.
2. Any requirement to include new information for annual reporting will be incorporated into the FMPM, through phase-in provisions.

Deadline Date:

1. September 30, 2012.
2. Next revision of the FMPM which is anticipated to come into effect in 2014.

Organization and Position Responsible:

1. Manager, Forest Health and Silviculture Section, Forests Branch, MNR.
2. Manager, Forest Management Planning Section, Forests Branch, MNR.

Method of Tracking Progress:

1. Revisions to SEM program, planning meeting minutes
2. Revised FMPM.

**COCHRANE-MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION 18,
SMOOTH ROCK FALLS FOREST 24, IROQUOIS FALLS FOREST 25:**

Corporate MNR must review the reporting procedures and consider modifying them to recognize multiple successional pathways to improve the adaptive management process.

Actions Required:

The annual report information products specified in the 2009 FMPM provide opportunity to recognize multiple successional pathways. Analysis of planned and implemented operations and the achieved results provides for an adaptive management process.

A review of the FMPM will be undertaken and a revised FMPM is anticipated to come into effect April 1, 2014. The FMPM review will include a review of annual report information products to ensure the recognition of multiple successional pathways.

Deadline Date:

Next revision of the FMPM which is anticipated to come into effect in 2014.

Organization and Position Responsible:

Manager, Forest Management Planning Section, Forests Branch, MNR.

Method of Tracking Progress:

Revised FMPM.

Principle 8: Contractual Obligations

DOG RIVER MATAWIN FOREST RECOMMENDATION 16:

Ontario Ministry of Natural Resources shall work with the Ontario Ministry of Northern Development, Mines and Forestry (MNDMF) to revise the wood supply agreements listed in Appendix E of SFL #542459 to reflect current wood supply demands.

ENGLISH RIVER FOREST RECOMMENDATION 17:

Ontario Ministry of Natural Resources shall revise the wood supply agreements listed in Appendix E of SFL #542454 to reflect current wood supply demands.

Actions Required:

1. MNR has taken steps with the beneficiary companies towards the release of unused wood supply commitments. All but one of the wood supply commitments listed in Appendix E have been released.

2. Final steps to amend the SFL document will be taken during the fall 2011

Deadline Date:

1. Completed between September 2010 and March 2011.
2. March 31, 2012.

Organization and Position Responsible:

1 & 2. Manager, Wood Allocation and Measurement Section, Forestry Division, MNR

Method of Tracking Progress:

1 & 2. Amended SFL document.

KENOGAMI FOREST RECOMMENDATION 13:

Corporate OMNR should work with the MNDFM to remove the wood supply commitment to Tembec Hearst from Appendix E of the SFL.

Actions Required:

This wood supply commitment dates back prior to 1999/2000 when the former Custom Sawmill commitment was redistributed through a negotiated agreement between the parties involved (Tembec, Lecours, and Kimberly Clark (transferred to Neenah, then Terrace Bay Pulp Inc.)). Through that arrangement, the Tembec (Hearst) sawmill was to make 13,262 m³/yr of chips available to the Terrace Bay mill via Right of First Refusal plus 25,000 m³/yr chip through a memorandum of agreement for an exchange of coniferous pulpwood / sawmill chips for conifer roundwood (equivalent volume). MNR will review the implementation of this wood supply commitment and will take appropriate measures including amending the SFL based upon the results.

Deadline Date:

December 31, 2012.

Organization and Position Responsible:

Manager, Wood Allocation and Measurement Section, Forestry Division, MNR.

Method of Tracking Progress:

Documentation of the results of the review. Amended SFL.

LICENCE EXTENSION

DOG RIVER-MATAWIN FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Dog River Matawin Forest was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by AbitibiBowater Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542459 for a further five years.

ENGLISH RIVER FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the English River Forest was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by AbitibiBowater Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence # 542354 for a further five years.

GORDON COSENS FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Gordon Cosens Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Tembec. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #550039 for a further five years.

KENOGAMI FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that, with the critical exceptions noted below, management of the Kenogami Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Terrace Bay Pulp Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The critical exceptions are as follows:

- An estimated inventory of 245,801 m³ of felled and unutilized timber is present on the unit.
- Forestry Futures Trust, Ontario Crown dues and Forest Renewal Trust payments are outstanding.

Therefore, the audit team recommends the Minister extend the term of the Sustainable Forest Licence # 542256 for a further five years, only on confirmation that the following conditions have been satisfied:

- The SFL Holder and the District OMNR/MNDMF need to determine what portion of the unutilized wood harvested under the Neenah Paper Company of Canada SFL is marketable and agree on a strategy for its utilization within six months of the submission of the Audit Report.
- The SFL holder work with the OMNR/MNDMF to develop a plan within six months of the submission of the Audit Report for the payment of Forestry Futures Trust, Ontario Crown Dues and Forest Renewal Trust payments which are outstanding as of March 31, 2011.

OGOKI FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Ogoki Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Long Lake Forest Products Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of the Sustainable Forest Licence # 541965 for a further five years.

RED LAKE FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that, with the critical exception noted below, management of the Red Lake Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Red Lake Forest Management Company Limited. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol.

The critical exception is as follows: The decision to increase harvest for the 2008-2018 term on the basis of company solvency and planning for a new mill facility in Red Lake is questionable. The audit team believes more consideration should be given to the balance of plan objectives in the 2008-2018 FMP and the following recommendation is made. Therefore, the audit team recommends the Minister extend the term of the Sustainable Forest Licence 542548 for a further five years, only upon confirmation that the following condition has been satisfied: RLFMC and MNR review the balance of plan objectives in the 2008-2018 FMP and determine if values other than wood supply have been fully considered in the plan. This review should occur in advance of completing Phase 2 operational planning.

SPANISH FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Spanish Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms

and conditions of the Sustainable Forest Licence held by Domtar during the term of the audit period and now held by EACOM Timber Corporation. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542391 for a further five years.

WABIGOON FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Wabigoon Forest was not in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was not managed in compliance with the terms of the Sustainable Forest Licence held by Domtar. Forest sustainability is not being achieved as assessed through the Independent Forest Audit Process and Protocol. Therefore, the audit team recommends the Minister not extend the term of the Sustainable Forest Licence #541593 for a further five years. The most important reasons for this conclusion and recommendation are:

- During the term of the 2003 FMP, the Company's renewal efforts did not match relevant harvest levels, with the majority of the 3,000 ha shortfall coming in artificial renewal;
- The yield forecasts in the FMP are deficient, either because they are based on erroneous yield curves or because the Company has been harvesting better than average stands;
- By 2028, the 2008 FMP projects a harvest volume 36% below the 2008 level, and the future low level persists for 50 or 60 years;
- The Company was out of compliance with Conditions #2 and #3 of Appendix E of its SFL #541593 (and also out of compliance with Conditions #2 and #4 of Appendix E of the Trout; Lake SFL #542461); and
- The 2008 FMP was approved even though it was known to be deficient and contain numerous errors.

COCHRANE MOOSE RIVER MANAGEMENT UNIT RECOMMENDATION ON LICENCE EXTENSION

No recommendation is made on licence extension since a new licence with a twenty year term was issued to Abitibi River Forest Management Inc. for the Abitibi River Forest in August 2010. A recommendation on licence extension will occur at the next IFA.

IROQUOIS FALLS FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Iroquois Falls Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Abitibi Consolidated Company of Canada. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol.

No recommendation is made on licence extension since a new licence with a twenty-year term was issued to Abitibi River Forest Management Inc. for the Abitibi River IFA.

SMOOTH ROCK FALLS FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Smooth Rock Falls Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Tembec Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol.

No recommendation is made on licence extension since a new licence with a twenty-year term was issued to Abitibi River Forest Management Inc for the Abitibi River Forest in August 2010. A recommendation on licence extension will occur at the next IFA.

Actions required:

1. A review of the SFL's for the above forests will be conducted to ensure that the licensee has complied with the terms and conditions of the licence. As part of the review, IFA audit recommendations will be considered in accordance with Section 9 of the SFL.
2. Results of the review will be evaluated and if satisfactory, will be advanced to the Minister for his consideration.

Organization & position responsible:

- 1 & 2. Manager, Wood Allocation and Measurement Section, Forestry Division (lead).

Deadline date:

1. A review will be completed by April 31, 2012.
2. Within six months of completing the review.

Method of tracking progress:

1. Review completed.
2. Briefing material forwarded to the Minister if review satisfactory.