

2009 Independent Forest Audit Provincial Action Plan Status Report

Prepared for the 2009 Independent Forest Audit
(April 1, 2004 – March 31, 2009)

Big Pic Forest
Caribou Forest
Lakehead Forest
Mazinaw-Lanark Forest
Timiskaming Forest
Trout Lake Forest
Whiskey Jack Forest

Ontario Ministry of Natural Resources



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INTRODUCTION

Independent Forest Audits (IFAs) were conducted on seven Forest Management Units in Ontario in 2009 covering the period from April 1, 2004 to March 31, 2009. These included the Big Pic, Caribou, Lakehead, Mazinaw-Lanark, Timiskaming, Trout Lake, and Whiskey Jack Forests. 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 Provincial Action Plan Status Report follows up on the 15 recommendations and seven licence extension recommendations included in the 2009 Provincial Action Plan. The information in this status report is organized according to principles listed in the IFAPP and includes the action(s) required, the progress to date, and future tracking requirements.

Provincial Action Plan Status Reports must be submitted by the Manager, Forest Evaluation and Standards Section within two years of approval of the Provincial Action Plan, or more frequently as may be required by the Action Plan or Minister. Since the 2009 Provincial Action Plan was approved on September 30, 2010, the 2009 Provincial Action Plan Status Report is due for final submission no later than September 29, 2012.

Following its approval, the 2009 Provincial Action Plan Status Report will be made available to the public through the Ontario Ministry of Natural Resources' public website.

In October 2011, Forestry Division was reorganized out of MNDMF back into the MNR. Responsibilities for any recommendations and the associated actions initially directed to MNDMF now reside with MNR.

RECOMMENDATIONS

Principle 1: Commitment

LAKEHEAD FOREST RECOMMENDATION #1:

MNR Northwestern Region shall become actively engaged in facilitating improvements in the rapport between the Thunder Bay and Nipigon MNR District staffs and in developing an approach to providing consistent management direction on the Forest, beginning with the treatment of late winter moose habitat. In addition, the terms of reference for the development of the 2012-2017 operating plan, or the next major plan product, shall provide for a Regional role as an adjudicator of major disagreements.

Actions Required:

The recommendation will be addressed by the MNR NWR working with the MNR Districts as outlined below.

1. The MNR NWR will provide advice to the Thunder Bay District Manager to update the *Cross-District Roles and Responsibilities for the Management of the Lakehead Forest, January 31, 2007*, between Thunder Bay and Nipigon Districts.
2. The Terms of Reference approved by the Northwest Regional Director and Thunder Bay District Manager for the second 5-year term of the 2007-2017 Lakehead Forest FMP will incorporate the following:
 - Planning team meetings will be conducted to reduce disagreements, ensure professional rapport, and improve consistency throughout the planning process.
 - The 'Decision Process' and the 'Planning Team Dispute Resolution Process' will include the following steps that are to be taken to resolve disagreements, including conflicts, between Planning Team members and to have significant differences in consistency reviewed:
 - 1) Involve Planning Team members, Planning Team Chair, and Project Manager
 - Regional advisors will be consulted for professional advice
 - Any significant disagreements or conflicts among the planning team, or significant differences in consistency in application of any direction or process applicable to FMP production (e.g. treatment of late winter moose habitat), will be referred to the Steering Committee for review (step 2)

2) Steering Committee

- Significant differences in consistency in the application of any direction or process applicable to FMP production will be reviewed and a response provided to the parties in step 1; where there will be differences in approaches in use of direction in the FMP the rationale for those differences will be documented as an 'Additional Plan Product' in the FMP
- Steering Committee members will also review any unresolved planning team issues identified while keeping themselves informed of plan production
- The regional representative may seek advice from the Regional Director
- If the Steering Committee is unable to resolve any disagreements or conflicts, they will be referred to the District Managers (step 3)

3) Thunder Bay District Manager and if applicable, the Nipigon District Manager

- If the District Managers are unable to resolve disagreements or conflicts, they will be referred to the Regional Director (step 4)

4) Regional Director

- Will make a decision with the goal of resolving the disagreement or conflict in consultation with applicable parties as required

Progress to Date:

1. Complete. The *Cross District Protocol – Thunder Bay / Nipigon – Forest Management Roles and Responsibilities* was completed February 29, 2012 and signed by the Nipigon District Manager April 2, 2012 and the Thunder Bay District Manager April 3, 2012. The MNR NWR specialists provided advice based on the January 31, 2007 Protocol to assist in development of the new protocol at a meeting with the MNR Thunder Bay District June 16, 2010.
2. Complete. The Terms of Reference for the second 5-year term of the 2007-2017 Lakehead Forest FMP was approved by the Thunder Bay District Manager and the Northwest Regional Director March 25, 2011. There was a delay in signing the Terms of Reference while waiting for the year three Annual Report to be signed (which was also signed on March 25, 2011).

The Terms of Reference Section 2.5 Operation of the Planning Team includes what was outlined under actions required in the action plan. The following provides an overview of key aspects of this Section 2.5 related to the actions required:

Planning Team Meetings

Lists meeting protocols including that members will have opportunity to express their views, members will be respectful of other members or visitors, discussions should be focused on the topic at hand, and that the chair will control the speaking order.

Decision-Making Methods - Planning Team

Includes planning team meetings will be conducted to improve communication throughout the planning process and covers the information referred to above under 'Planning Team Meetings'. This section also indicates that a quorum will consist of at least six planning team members and that a quorum is required to make substantive decisions. As well, it indicates the planning team will strive to make decisions through group consensus by unanimous agreement, however, if this cannot be obtained consensus can be achieved through 2/3 of the quorum agreeing to accept the decision. This section also indicates if consensus cannot be achieved then the dispute resolution process will be used.

Planning Team Dispute Resolution Process

This section outlines how planning team issues would be addressed starting with the planning team, and if not addressed then by the Steering Committee, followed by the District Managers if not addressed, and the Regional Director if not addressed by the District Managers.

The audit recommendation refers to the treatment of late winter moose habitat. The audit Action Plan refers to this as an example that could be referred to the Steering Committee during phase II planning, if necessary. This matter was reviewed by the planning team and it was concluded that it is appropriate to have varying prescriptions for wildlife habitat within different geographic areas in the forest. Thus the late winter moose habitat from Phase I of the FMP has been carried forward into Phase II as is.

The Steering Committee was invoked once. This occurred when the MNR Forester went off on hiatus for ten weeks between May and August, 2011, as the planning team had concerns of who would fulfil this role during that time. The Steering Committee responded with another MNR Area Forester and assistant fulfilling this role.

Principle 2: Public Consultation and Aboriginal Involvement

BIG PIC FOREST RECOMMENDATION # 1:

Corporate OMNR and the Regional Director should jointly ensure that funding is available in the Wawa District for the Manitouwadge LCC to function throughout the duration of a FMP.

Actions required:

1. Discuss the approach used currently regarding the regional funding allocation for Local Citizens Committees (LCCs) with the Northeast Regional Forest Forum members for their input and refine as appropriate based on this discussion for future funding allotments.
2. MNR, Northeast Region will continue to work with Wawa District to identify and provide funding allocations for the LCCs within Wawa District. Sufficient funding will be considered to enable the District LCCs to continue operations during all phases of FMP development and implementation. The amount will depend on the number of LCCs in the Northeast Region and recognition of other financial pressures. Wawa District will determine the appropriate allocation of resources to LCCs within the District.

Progress to Date:

1. Complete as outlined in the action plan. Held discussion with the Forest Forum on February 11, 2010.
2. Complete. Based on the Forest Forum decision, adjustments were recently made to the 2011-2012 LCC funding allocations. Two-thirds of the available funds were provided to each district (including Wawa) as base funding allotment and the remaining third was allocated to districts based upon the active LCCs. This provides districts with funding during all phases of FMP development and implementation, while recognizing ongoing financial pressures.

BIG PIC FOREST RECOMMENDATION # 2:

With reference to the direction and intent of OMNR's Forest Management Class EA approval and FMPM direction, Corporate OMNR should carefully review the costs and benefits associated with the amalgamation of LCCs in response to the amalgamation of forest management units.

Actions required:

1. Forests Branch reviewed the implementation experience for Local Citizen's Committees identified in Condition 5 of *MNR's Environmental Assessment Act approval for forest management on Crown lands in Ontario (Declaration Order MNR-71)* and reported on it in the *Five-Year Environmental Assessment Report on Forest Management April 1, 2003 – March 31, 2008*. Nothing from the review indicated a need to change Condition 5 of the Declaration Order. Decisions related to the number of Local Citizen's Committees needed within a District are made at the local level based on the specific local circumstances involved, including cost and benefit considerations.

Progress to Date:

1. Complete as outlined in the action plan. The report was submitted to the Ministry of the Environment on June 23, 2009 and posted to the Environmental Registry on June 26, 2009.

Principle 3: Forest Management Planning**TIMISKAMING FOREST RECOMMENDATION #8:**

Corporate MNR shall assess the FI Portal's ability to accurately and simply track milestone dates associated with the submission, review and approval of forest management planning documents, and shall revise the system as necessary to ensure that this capacity exists.

Actions required:

1. To improve the effectiveness and efficiency of auditing criteria 3.9 (amendments), 3.10 (Annual Work Schedules) and 6.5 (Annual Reports) in the audit protocol, information will be provided to auditors conducting 2010 and 2011 audits on where status information of planning documents (particularly annual reports and annual work schedule reviews) is currently available. This information will include updates to auditors on the purpose and functionality of the Forest Information Portal (FI Portal).
2. To ensure that Districts and Sustainable Forest Licence (SFL) holders maintain sufficient records for auditing of criteria 3.9, 3.10 and 6.5, information will be provided to Districts and SFL holders on record-keeping requirements for planning documents (particularly annual reports and annual work schedule reviews).
3. Evaluate mechanisms for the provision of milestone dates for submission, review and approval of forest management planning documents to auditors. This evaluation will include examination of the auditing requirements in the

Progress to Date:

1. Complete as outlined in action plan. The information was gathered and provided as part of the Auditor Orientation Session delivered for the 2010 and 2011 audit programs (training held in Sault Ste Marie on May 12 & 13, 2010) and for the 2012 audit program (training held in Sault Ste Marie on May 10, 2012).
2. Complete as outlined in action plan.
3. Complete. Power-users of the FI Portal were contacted in February and March 2011 to discuss the current capabilities of the FI Portal, the history of the FI Portal's development, and the cost and process of developing the FI Portal. Additionally, three management foresters were contacted (Sault Ste. Marie District, Wawa District, and Nipigon District) to discuss their methods of tracking product submission dates and other related information (meta-data).

The Independent Forest Audit Process and Protocol requires auditors to review submission timelines for FMP products; most relevant to the recommendation on which this report is based are Procedures 3.9.1 and 6.5.1 which pertain to Annual Work Schedules and Annual Reports respectively. While these procedures necessitate retaining submission meta-data, this is not currently the purpose of the FI Portal. The FI Portal does not currently retain meta-data pertaining to intermediate product submissions, i.e. only meta-data pertaining to final product submissions are retained.

Based on the evaluation of alternative mechanisms to track milestone data, it was determined that a simple solution is the most appropriate. To track submission and review milestones, SFLs and District MNR are required to archive emails from the FI Portal that are auto-generated each time a submission is made and then sent to all members on a user-specified distribution list. Meta-data for intermediate product submissions (e.g. draft Annual Reports) are recorded in these emails and are standardized as per the Forest Information Manual, i.e. the file name in the meta-data provided clearly indicates what the product is and a date of when that product was submitted. Important milestone dates for product submissions can be found in the appropriate planning guides and manuals; in the case of Annual Reports created under the 2004 Forest Management Planning Manual, submission milestone dates are clearly identified in Part E, Section 5.1.

These requirements were communicated to all planning teams during the FMP update training sessions in 2010 as outlined in Action #2.

The Forests Branch of Policy Division within the Ministry of Natural Resources is conducting an exhaustive review in the 2012-13 fiscal year of the FI Portal and its functions and processes with the goal of making improvements in the fiscal year of 2013-14.

WHISKEY JACK FOREST RECOMMENDATION #4:

MNR Region must develop the capacity to conduct risk based cost benefit analyses of proposed pest management programs in advance of future outbreaks.

Actions required:

1. The MNR NWR will build capacity in areas of forest estate modeling, which is utilized to conduct risk based cost benefit analyses, to be better prepared to address issues related to insect outbreaks and impacts on forest yield by creating and maintaining a regional database of FRI and forest modeling inputs that facilitates a more rapid preparation of required models. This will facilitate any insect pest management plans that the interdisciplinary team prepares in consultation with a Forests Branch specialist including the consideration, evaluation, and documentation of a number of management options; an assessment of the advantages and disadvantages for forest management purposes and the potential effects on non-timber values, the anticipated effectiveness, and an estimate of the operational costs; and, a comparison of the evaluation of the options to assist in the identification of a specific course of action.

Progress to Date:

1. Complete and ongoing. The NWR Planning Unit has created and maintains a master database of Strategic Forest Management Model (SFMM) inputs and results for all current Forest Management Plans in the NWR to facilitate the construction of supplementary models for single management units or for groups of management units. The NWR has created data sets and tools to quickly assign various types of customized volume estimates from FRI data.

No new Insect Pest Management Plans have been developed in the NWR since the action required was set in place therefore no new risk based cost benefit analyses of proposed programs has occurred.

The NWR Planning Unit is involved with current insect pest issues in the Region (e.g. Emerald Ash Borer, Jack Pine Budworm, and winter kill events). As well, the unit is supporting the Provincial Impact Assessment Model (PIAM) and developing a regionally based version for use in broader analyses of issues within the Province and Region.

MAZINAW-LANARK FOREST RECOMMENDATION #3:

Corporate OMNR must ensure that funding for biological values surveys arrives for use in forest management planning in a timely manner.

Actions required:

1. MNR funding for the collection of values information rests with Regional Operations Division. Funding from Regional Operations Division is allocated through the MNR regions and to the MNR districts subject to the annual budgeting and priority setting process. Values funding is available to all forest management planning teams annually. However, funding is targeted primarily to those plans that are currently under development to allow for appropriate Area of Concern planning related to the identified values. The allocated funding levels may not be sufficient to cover a complete survey of the entire management unit. As a result, the MNR district, in consultation with the planning team, needs to determine an appropriate prioritized approach for values collection and verification based on the allocated funds. In addition, the Forest Management Planning Manual and the Forest Information Manual outline the requirements for addressing previously unidentified values. In consideration of the above, MNR Southern Region will monitor the Forest Management Plan schedule for management units in the southern region and allocate available resources to planning teams in order to meet planning requirements.

Progress to Date:

1. Complete. Funding allocation for biological values surveys across Southern Region are based on a provincial funding formula. Tentative allocations are reviewed by districts in preparation for final allocations. Southern Region typically transfers funds to all districts within one week of final budget confirmation.

Principle 4: Plan Implementation**MAZINAW-LANARK FOREST RECOMMENDATION #7:**

Corporate and district OMNR should work with MLFI on: the implementation of the ESA, seeking practical operational approaches to the protection and recovery of the endangered species; clarifying to the company how and when the ESA flexibility tool can be used; and, how the company can make their operations comply with the ESA through the FMP, as an instrument of the ESA.

Actions required:

1. MNR is developing policy direction to guide the interpretation of "damage and destruction" of habitat and "kill, harm or harass" of species under section 10 and 9 of the ESA respectively. Policy direction on the interpretation of

Progress to Date:

1. Damage and Destruction Policy - Complete

This policy provides guidance on the terms “damage” and “destroy” within the context of subsection 10(1) of the Endangered Species Act 2007. The policy identifies a set of principles and considerations MNR will consider in determining whether a proposed activity will damage or destroy habitat, and explains how habitat protected under the ESA will be categorized based on the species’ anticipated tolerance to disturbance.

The “damage and destruction” policy development was completed in February of 2012. It is formally titled: “Categorizing and Protecting Species Habitat under the ESA” and can be found on MNR’s public website. (http://www.mnr.gov.on.ca/stdprodconsume/groups/lr/@mnr/@species/documents/document/stdprod_085648.pdf).

Kill, Harm, Harass Policy – Partially Complete

The purpose of this policy is to provide guidance on the overall approach and considerations that MNR will use in determining whether a proposed activity is likely to kill, harm, or harass a member of a protected species under clause 9(1)(a) of the ESA. This determination will be carried out primarily in the context of determining whether it is advisable for the person undertaking the planned activity to apply for an authorization under the Act prior to proceeding with the activity.

Future Tracking Requirements:

The “kill, harm, and harass” policy is partially complete. The Manager of the Protection Section within the Species at Risk Branch will ensure the following actions are completed for the “Kill, Harm, Harass” policy:

- Circulate draft for internal (MNR) review
- Incorporate comments from internal reviewers where possible
- Post revised draft to the Environmental Registry for public comment
- Roll up public comments
- Consider comments from the public in the finalization of the policy

- Post final policy to MNR's public website

The kill/harm/harass policy is expected to be completed in fiscal year 2013-14. The policy will be posted to MNR's public website.

MAZINAW-LANARK FOREST RECOMMENDATION #9:

Corporate OMNR shall review the prerequisites for implementing clearcutting in the Great Lakes-St. Lawrence Forest Region with the goal of reducing documentation and analysis requirements, particularly in situations where clearcut sizes are less than an established threshold. Consideration should be given to eliminating onerous documentation requirements for clearcuts that are smaller than the minimum threshold.

Actions required:

1. During the development of *The Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales*, the documentation and analysis requirements for clearcuts were reviewed by the guide development team. As a result of this review, *The Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales* has changed the way stand level residual is calculated. The planning and analysis for residual forest has been greatly reduced and simplified. For example, there is no longer an analysis to determine the spatial separation of clearcuts on a sliding scale or the need to preplan where residual patches will be left.

Progress to Date:

1. Complete as outlined in action plan.

Principle 5: Systems Support

TIMISKAMING FOREST RECOMMENDATION #6:

By December 2010 Corporate MNR in collaboration with Timmins District MNR, shall reconcile the staffing capacity at the Gogama area office with the responsibilities of the staffing contingent.

Actions required:

1. There was some turnover in the key management positions within Timmins District (Timmins District Manager and Watershed Area Supervisor) during the five-year audit term. These positions are important to being able to reconcile the staffing capacity needs within the Gogama Area Office. The Regional Director will fill the Timmins District Manager position and the Regional HR committee will consider a request to fill the Watershed Area Supervisor position within Timmins District.

2. The Timmins and Kirkland Lake District Managers will explore staffing options to ensure the MNR's legislated responsibilities are addressed for the amalgamated Timiskaming Forest.

Progress to Date:

1. Complete as outlined in action plan.
2. Complete. The Regional Human Resources Committee (and now the Northeast Leadership Team (NELT) reviews all staffing requests by Districts and Regional Work Units. Staffing decisions/approvals are made based on analysis of a number of factors including, but not limited to, the number of positions that can be filled given approved budget/salary allocations and FTE thresholds and by priority ranking of needs within individual work units and across the Region.

A full time contract Area Technician, fully dedicated to the forests program, has been working in Gogama since January 10, 2011. Forest Compliance Inspector Certification was provided to one other Area Technician in Gogama in 2011. Two additional Area Technicians in the Timmins Office will be receiving Forest Compliance Inspector Certification in the fall of 2012.

Work planning within Timmins District is now carried out by program area (Forestry, Fish and Wildlife, Lands and Waters) with priorities set across the entire District so that resources can be assigned where required regardless of the home office location of an individual staff member.

Principle 6: Monitoring

BIG PIC FOREST RECOMMENDATION # 11:

The OMNR Regional Director should ensure that sufficient staff resources are available within the Wawa District to meet forest compliance inspection obligations on the Big Pic Forest.

Actions required:

1. Annual allotment of compliance funding is allocated to each District through Regional Operations Division. Northeast Region will assess the District work plan within the Regional context and allocate resources as available and prioritized. The prioritization of forest compliance will be determined at the local level using a risk assessment approach as identified annually in the District's Annual Compliance Operations Plan (ACOP), which is based on the Company submitted Annual Compliance Schedule of Action. Priorities will be adjusted based on the allocation of resources.

2. Discuss the approach used currently regarding the regional funding allocation for forest compliance with the Northeast Regional Forest Forum members for their input and refine as appropriate based on this discussion for future funding allotments.
3. The Regional Human Resources (HR) Committee will consider the staffing requests from Wawa District as submitted by the Wawa District Manager.

Progress to Date:

1. Complete. Annual funding is allocated to each district by Regional Operations Division. The Northeast Region (NER) assesses the district funding needs within the regional context and allocates resources as available and on a prioritized basis. NER staff review the proposed district distribution annually with district staff through the MNR NER Forest Forum and makes appropriate changes. This review includes the district compliance funding allocation.

Based on district input, adjustments were recently made to the 2011-2012 budget. A final allocation of 40% of the total available funds was provided to each district (including Wawa) as base funding allotment and the remaining portion was allocated to districts based upon the latest three year average depletion area (i.e. the average amount of area requiring compliance monitoring in the District annually).

2. Complete as outlined in the action plan.
3. Complete. Despite a reduction in positions within MNR across the North East Region including Wawa District, the Regional Human Resources Committee has attempted to manage positions to ensure resources are made available to meet work priorities across the Region. Since the Big Pic Forest has been returned to the Crown the District has maintained four staff per year to support forest management activities on the Big Pic Forest. Over the past three years the NER has provided dollars for a temporary contract position dedicated to forest management on the Big Pic Forest. In addition to funding contract staff, Chapleau and Wawa Districts have been working closely to manage compliance issues across both Districts by sharing compliance staff. This has allowed Wawa District to focus compliance effort on the Big Pic Forest while Chapleau District assumed the compliance lead on other units within Wawa District.

TROUT LAKE FOREST RECOMMENDATION # 15:

Corporate MNR must look at offering varied compliance inspection training options to allow for timely training of all parties required to have certified inspectors.

Actions required:

1. The process and means for training and certifying compliance inspectors was revised through the forest compliance program streamlining review. Through the review, it was determined that a residential certification session was required for new compliance inspectors to ensure certified compliance inspectors are competent in all areas of the program. In addition, it has been made easier for trained compliance inspectors to maintain their certification by extending the recertification requirement to five years and offering recertification training through online modules and an online exam.
2. A compliance certification training session for new inspectors will be offered in the fall of 2010 on a cost recovery basis. The Forest Compliance Certification Committee will examine the need for certification training sessions yearly taking into consideration the identified need for certified inspectors that cannot be satisfied by the large number of existing certified inspectors in the industrial, government and independent sectors (currently more than 600 across the province).

Progress to Date:

1. Complete as outlined in the action plan. The Forest Compliance Certification Committee agreed upon the revised process in November 2008 and was written in January 2009. The process described above has been implemented.
2. Complete. MNR Forests Branch held a Forest Compliance Certification session in 2010 (Elk Lake, Ontario) and certified 29 inspectors from MNR and forest industry. In 2011 (held in Pembroke, Ontario) another 36 future forest operations compliance inspectors were certified. Based on interest, MNR Forests Branch will be holding another Forest Compliance Certification session in 2012 on a cost recovery basis. MNR Forests Branch maintains records on who has successfully attained forest operations compliance inspection certificate status and will continue to do so.

MNR Forests Branch also provided Forest Compliance Handbook refresher training sessions in various locations across the province of Ontario (Timmins, North Bay, Dryden, Thunder Bay, Bancroft, and Sault Ste. Marie) in 2010 and 2012 to certified inspectors. The refresher training was available to forest industry and MNR staff and covered a wide range of topics including updates to forest operation inspections monitoring and reporting.

MNR Forests Branch has also taken advantage of the MNR Learning Compass to post additional training materials to provide continuing educational opportunities to certified compliance inspectors.

Principle 7: Achievement of Management Objectives and Forest Sustainability

TROUT LAKE FOREST RECOMMENDATION #20:

Corporate MNR must consider mechanisms to report spatially on planned vs. actual caribou block harvest achievement.

Actions required:

1. Subsequent to the declaration of woodland caribou as a Species at Risk following the release of the Forest Management Planning Manual, 2004, Forests Branch reviewed the requirements for reporting on harvest block achievement through the development of the 2009 Forest Management Planning Manual and the 2009 Forest Information Manual. The information products required to be submitted as part of the management unit annual reports enable the spatial consideration of harvest block achievement. The 2009 Forest Management Planning Manual requires an assessment of objective achievement in the Year Ten Management Unit Annual Report, and includes consideration of how the landscape pattern target(s) are being achieved, including spatial landscape patterns developed to address caribou habitat objectives.

Progress to Date:

1. Complete as outlined in the action plan. The effective date of the 2009 Forest Management Planning Manual and the 2009 Forest Information Manual was December 9, 2009.

LAKEHEAD FOREST RECOMMENDATION #19:

Corporate MNR and MNDMF shall consider the inclusion of mechanisms within a revised tenure system to encourage the development of more productive forests, including the restoration of forest stands/areas that have become degraded through historic management practices and natural disturbances.

Actions required:

1. MNDMF is in the process of conducting a review of Ontario's forest tenure and pricing systems. MNR will meet with MNDMF to discuss the approach within the new tenure system for the development of more productive forests.

Progress to Date:

1. Complete. Several meetings were held since 2010 between Forest Tenure Section and Forest Health and Silviculture Section staff to discuss opportunities to improve forest productivity within Ontario's new tenure system. Forest productivity will not be a core objective of tenure modernization. Tenure modernization will focus on the following three main objectives:
 - a. Creating a more economically efficient system for wood allocation and pricing;
 - b. Providing opportunities for meaningful involvement by local and Aboriginal communities; and,
 - c. Providing for the sustainability of the Crown forest.

Principle 8: Contractual Obligations**BIG PIC FOREST RECOMMENDATION # 15:**

The OMNR Regional Director must ensure that District and Regional staff place an increased priority on the timing and quality of initial submissions, internal reviews and final approval of IFA Action Plans and Status Reports.

Actions required:

1. The Northeast Region will notify Wawa District and Green Forest Management Inc. outlining action plan requirements and timelines for submission of the Action Plan based on receipt of the Final Audit Report.
2. The Northeast Region will work closely with Wawa District and Green Forest Management Inc. to develop the draft action plan and eventual draft status report to meet content requirements and ensure they are prepared according to the timelines outlined in the Independent Forest Audit Process and Protocol. The MNR Region / Forests Branch will review the draft Action Plan and eventual draft Status Report as provided by the Company and District.
3. Upon submission of the Action Plan by the Wawa District Manager the Regional Forest Program Specialist will gain Regional Director endorsement and forward to Forests Branch. Upon submission of the Status Report by the Wawa District Manager, the Regional Forest Program Specialist will gain Regional Director signature and forward to Forests Branch.
4. Upon receipt of the Regional Director endorsed Action Plan, Forests Branch representatives will forward for final endorsements and approvals of the Action Plan.

Progress to Date:

1. Complete as outlined in the action plan.
2. Action Plan – Complete
An initial draft of the Action Plan was developed and supplied to MNR Northeast Region (Feb. 3, 2010) containing only the MNR related responses. This initial draft was reviewed by MNR Northeast Region (Feb. 9, 2010). A subsequent draft Action Plan was provided containing the MNR and Company responses (Mar. 11, 2010), and later reviewed by both MNR Northeast Region (Mar. 19, 2010) and Forests Branch (Mar. 23, 2010).

Status Report - Ongoing

The Status Report is due Oct. 30, 2012. On August 13, 2012 notification was sent to Wawa District regarding the requirements and due date of the Status Report. The NER will work closely with Wawa District through its development.

3. Complete and ongoing. Due to the SFL bankruptcy situation pertaining to the Big Pic Forest and uncertainty regarding the future management options for the Forest, finalizing the Action Plan was delayed. Regional endorsement was given on October 8, 2010, and final approval was given on October 30, 2010. The status report is to be submitted by the District Manager for Regional Director approval by October 30, 2012.
4. Complete. Regional Director endorsed Action Plan was received by Forests Branch on October 19, 2010. The Action Plan was forwarded by the Forests Branch representative on October 20, 2010 for final endorsements and approval.

Future Tracking Requirements:

1. The Northeast Region Forest Program Specialist will work closely with Wawa District to develop the Draft Status Report to meet content requirements and ensure they are prepared according to the timelines outlined in the Independent Forest Audit Process and Protocol. The MNR Region / Forests Branch will review the draft Status Report as provided by the Company and District which is scheduled to be submitted for Regional Director approval by October 30, 2012. This will be documented on the signature page of the action plan status report.
2. Upon submission of the Status Report by the Wawa District Manager, the Regional Forest Program Specialist will review and seek Regional Director approval and forward to Forests Branch. This will be documented on the signature page of the action plan status report. Regional Director

LAKEHEAD FOREST RECOMMENDATION #20:

Corporate MNR shall revise the agreements it has with mills to pay Crown dues and renewal charges on timber that is processed to give the Crown the authority to notify the SFL-holder on a quarterly basis of amounts owing, and any other pertinent information, when a mill falls behind on its payments.

Actions required:

1. MNR will work with MNDMF to review the impact of SFL holders not having direct access to the payment information and determine an appropriate approach to ensure that SFL holders have the information they need to meet their licence requirements and manage their accounts. Considerations will include consistency with the Freedom of Information and Protection of Privacy Act (FIPPA), information already provided to SFL holders, and opportunities for the SFL to acquire information from mills and over-lapping licensees themselves.

Progress to Date:

1. Complete as outlined in the action plan. A review was completed by May 21, 2010.

BIG PIC FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concludes that management of the Big Pic 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 Marathon Pulp Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. Had the SFL holder been in a financial position to meet its forest management obligations on the unit, the audit team would have recommended the Minister extend the term of Sustainable Forest Licence # 542004 for a further five years.

Note: The recommendation to extend the term of this SFL is no longer applicable since the SFL was cancelled in 2010 due to the bankruptcy of Marathon Pulp Inc.

CARIBOU FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concludes that management of the Caribou 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 Licence held by AbitibiBowater (formally known as Bowater Canadian 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 Sustainable Forest Licence # 54248 for a further five years.

LAKEHEAD FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concludes that management of the Lakehead 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 Greenmantle Forest 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 #542460 for a further five years.

MAZINAW-LANARK FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concludes that management of the MLF was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the MLF was managed in compliance with the terms and conditions of the SFL held by MLFI. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends that the Minister extend the term of SFL #542621 for a further five years.

TIMISKAMING FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concludes that management of the Timiskaming 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 TFAI Forest 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 #542247 for a further five years.

TROUT LAKE FOREST RECOMMENDATION ON LICENCE EXTENSION:

The team concludes that management of the Trout 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 Domtar Pulp and Paper 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 Sustainable Forest Licence #542461 for a further five years.

WHISKEY JACK FOREST RECOMMENDATION ON LICENCE EXTENSION:

The audit team concluded that, with the following critical exception noted below, management of the Whiskey Jack Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and MNR met its legal obligations. Forest sustainability, as assessed

through the Independent Forest Audit Process and Protocol, will not be achieved unless corrective measures are immediately taken to address the issues that silviculture practices, including a lack of tending of artificially regenerated areas, are leading to reduced stocking of conifer and an increased component of hardwood on the Forest. This trend does not support the management intention of maintaining a conifer dominated forest, as set out in the 2004-2024 Whiskey Jack Forest FMP.

- Recommendation 3 of this audit must be satisfied to bring the Whiskey Jack Forest into general compliance.

ACCC has surrendered the SFL for the Whiskey Jack Forest to the Crown; therefore the audit team makes no recommendation on licence extension.

Actions required:

1. MNR Forests Branch will provide the audit recommendations to the MNDFM Industry Relations Branch for consideration in the licence reviews under Section 26(3) of the Crown Forest Sustainability Act.

Progress to Date:

1. Complete. The last final audit report for 2009 was received on June 15, 2010. The audit recommendations were provided to the MNDFM Industry Relations Branch (now MNR Operations Branch) on June 25, 2010.
Note: A recommendation on licence extension has not yet been advanced for the Minister's consideration.

Future Tracking Requirements:

1. The Manager of Timber Allocation and Licensing Section will ensure a review of the SFLs for the above forests is conducted to ensure the licensees 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. Results of the review will be evaluated and a recommendation on licence extension will be advanced to the Minister for his consideration. The review will be completed by April 31, 2013 and a recommendation on licence extension will be put forward within six months of completing the review. This will be documented in the briefing material developed for the Minister.