



April 23, 2007

File No.: 09332-010

Mr. Gary Skabeikis, RPF  
Western Forest Products Inc.,  
Mid Island Forest Operation  
PO. Box 6000  
8010 Island Highway  
Campbell River, BC  
V9W 5E1

Dear Gary,

**SUBJECT: CAN/CSA Z809:2002 REGISTRATION PROGRAM - 12 MONTH SURVEILLANCE**

Please find attached the audit report raised as a result of our surveillance audit conducted April 16-17, 2007. The audit assessed the Mid Island Forest Operations sustainable forest management system as compared to the CAN/CSA Z809:2002 standard and Mid Island Forest Operations sustainable forest management documentation.

We thank you and your organization for the support and co-operation given during the audit.

Yours truly,

A handwritten signature in black ink, appearing to read 'Nate Ryant'. The signature is fluid and cursive.

Nate Ryant  
QMI Audit Team Leader

cc: QMI File

**QMI FILE NO.: 09332-10**



**AUDIT REPORT CAN/CSA-Z809-2002**

**1. Executive Summary**

Auditee : Western Forest Products Inc., Mid Island Forest Operations  
 Address : PO Box 6000, Campbell River, BC  
 Contact : Mr. Gary Skabeikis  
 Date(s) of Audit : April 16 - 17, 2007  
 Name of Audit Team Leader: Nate Ryant, RPF, QMI Lead Auditor  
 Type of Audit : 12 Month Surveillance  
 Audit Frequency: : Annual

**Recommendation by Team Leader:**

**The auditee is recommended for continued Registration to CAN/CSA Z809 (2002).**

DISTRIBUTION
Auditee: (Auditee)
Audit Team Leader: (Auditor)
QMI File

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Ownership of this report lays with: **Western Forest Products Inc., Mid Island Forest Operations**

**2. General Background on Canada’s National Sustainable Forest Management Standard CAN/CSA Z809-2002**

The Canadian Standards Association (CSA) developed Canada’s National Standard on Sustainable Forest Management CAN/CSA Z809, in response to heightened awareness about forest management practices. The Standard was developed by a SFM Technical Committee in an open and inclusive process managed by CSA. The SFM Technical Committee is required to review the Standard periodically to ensure it incorporates knowledge gained through time and implementation. The Standards Council of Canada (SCC) accredits CSA to write standards and approves them as National Standards.



Sustainable Forest Management (SFM) refers to the way a defined forest area is managed to maintain and enhance the long-term health of forest ecosystems for current and future generations. This Standard, which utilizes a continual improvement approach, requires public participation, practical demonstration of sustainable forest management practices, and a management commitment to a management system. SFM takes into account environmental, social and economic factors.

**Public Participation** - The CSA Standard requires organizations to seek comprehensive and continuing public participation, including a special effort for Aboriginal Peoples, at the local community level for each defined forest areas. The public identifies forest values of specific importance to their environmental, social and economic concerns and needs. The public also takes part with the organization to identify and select SFM goals, indicators and objectives to ensure these values are addressed.

**Performance** - By following a SFM plan that incorporates the values, goals, indicators and objectives, identified by the public process, which can be traced back to the Canadian Council of Forest Ministers (CCFM) set of Sustainable Forest Management Criteria, together with other legal requirements, performance can be demonstrated on the ground.

**Systems and Continual Improvement**- The CSA Standard has system requirements, which are consistent with the internationally recognized ISO14001 Environmental Management System Standard. The system follows the concept of “plan - do - check - act”. The system framework helps an organization implement, track and monitor their progress towards meeting the economic, social and ecological performance objectives for the defined forest area. The Standard uses adaptive management procedures which recognize that SFM is a dynamic process that must incorporate new knowledge acquired through time, experience and research. The Standard requires there be an annual report on the indicator objectives with an annual review of the system and performance in the forest to identify areas for continual improvement.

**Third Party Independent Audits** - To become certified to the Standard is strictly voluntary but the organization must go through a third party independent audit of the SFM Requirements in the Standard. The audit is conducted by a Registrar accredited by the Standards Council of Canada. In addition the individual auditors employed or contracted by the Registrar have the requisite forestry expertise and are certified as environmental management systems auditors by the Canadian Environmental Auditing Association.

### 3. Description of the DFA

#### 3.1 Geographic Location, Size, Legal Tenure and Defined Forest Area Description (DFA)

##### **Geographic Location:**

The DFA is situated on the east central coast of Vancouver Island between Campbell River and the Tsitika River, encompassing the community of Sayward.

##### **Area of DFA:**

The DFA in 2006 was 157,000 hectares of Crown Forest Land and excludes any private land. The majority of the DFA lies within Coastal Western Hemlock zone.

**Legal Tenure/Licence Description :**

The DFA boundaries at the time of the audit coincide with TFL 39, Block 2.

**3.2 Ecological Description of the Defined Forest Area:**

The DFA is comprised of the following bio-geoclimatic variants:

CWHmm1 - 16.7%  
CWHmm2 - 6.4%  
CWHvm1 - 26.0%  
CWHvm2 - 16.8%  
CWHxm2 - 14.7%  
MHmm1 - 17.3%  
AT (unp) - 2.1%

**4. Background Description of Auditee and Practices**

**4.1 Organizational Structure**

Western Forest Products Inc., Mid Island Operations manages its operations from its office near Campbell River.

**4.2 Description of the Mid Island DFA Workforce**

Western Forest Products Inc. Mid Island Operations employs staff, hourly crews and contractors to supervise and conduct harvesting, road construction, road maintenance, renewal and tending operations on the DFA. Harvest operations are conducted under approvals issued as part of the operations TFL Management Plan. All staff, company crew and contractors are responsible for conducting forest operations according to unit prescriptions, contract conditions, and Cutting Permits. Operations must fully comply with the Standard Operating Procedures of the Company's EMS and the SFM Plan. The workforce on the DFA is equivalent to 451 full time employees.

**4.3 Volume Harvested in 2006**

= 1,066,962 m<sup>3</sup>

**4.4 Products Produced & Mills Associated with the DFA Timber**

Wood products from the Mid Island DFA supplies several Western Forest Products sawmill facilities:



Chemainus Sawmill; Alberni Pacific Division and Somass Sawmill (Pt Alberni).

#### **4.5 First Nations Traditional Territories and the DFA**

The Mid Island DFA has the following First Nation communities within or adjacent to its boundaries, all of which have traditional land within the DFA:

- Tlowitsis Mumtagila First Nation,
- Campbell River First Nation,
- Cape Mudge First Nation,
- Comox First Nation,
- Kwiakah First Nation.

### **5. Details of the Audit: Western Forest Products Inc., Mid Island Operations**

#### **5.1 Subject**

Surveillance Audit of the Western Forest Products Inc., Mid Island Operations Defined Forest Area.

#### **5.2 Purpose and Scope of Audit and Scope of Registration**

The Purpose of the audit is to evaluate the continued adequacy and implementation of the Mid Island Operations Sustainable Forest Management System against the requirements of the CAN/CSA-Z809:2002 Standard and their Sustainable Forest Management System documentation within the Defined Forest Area.

The Scope or Registration is as follows:

The Sustainable Forest Management System as it applies to Tree Farm License (TFL) 39, Block 2.

US SIC/NACE Code(s):

0851/A0202	Forestry Services
A0202	Logging camps and logging contractors
A0201	Timber tracts



### 5.3 Audit Criteria

- CAN/CSA-Z809:2002
- Mid Island Operations Sustainable Forest Management System documentation - current at the time of the audit.
- Mid Island Operations DFA SFM Plan 2006 (May 2006)
- Mid Island Operations DFA SFM Draft Annual Report (March 2007).

### 5.4 Description of the Registrar and the QMI Audit Team

Quality Management Institute (QMI) is a third party management system certification Registrar. QMI is a Division of the CSA Group. Established in 1984, QMI has worked with thousands of organizations in North America and around the world, issuing registration certificates to those that meet international and national management system standards.

The QMI Sustainable Forest Management audit team members bring with them considerable experience in the area of sustainable forest management and environmental management systems auditing. Audit teams are comprised of certified auditors and registered professional foresters. All audit team members are subject to strict confidentiality and conflict of interest agreements.

The following personnel conducted this audit:

Nate Ryant RPF, QMI Lead Auditor (SFM, EMS)	-	Audit Team Leader
Wayne Coombs RPF, QMI Lead Auditor	-	Auditor

### 5.5 Audit Coverage

An opening meeting where the scope and method of performing the audit was explained, was attended by the personnel listed the Opening/Closing Meeting attendance form maintained on file at the QMI Richmond office.

The audit was conducted in the following number of days:

Pre and Post Audit Total Time	- 1.0 audit-days
On-Site Audit Time	- 2.0 audit-days
On-Site Audit Field Days	- 2.0 audit-days

All required elements and aspects were audited, as per the audit plan in Attachment 1 according to the requirements of CAN/CSA Z809 (2002) and the CSA PEFC Annex 4.

The audit team conducted interviews with Staff in the Mid Island Operations office; observed active forest operations and completed harvest/reforestation units; and interviewed Mid Island Operations

hourly crew; and contractors and their employees in the field. Audit team members also verified SFM Indicators related to forest conditions (see the table below) related to active and completed forestry operations in the Adams River and White River areas.

The Audit Team reviewed the compliance report and interviewed a compliance and enforcement officer from the Campbell River Forest District, Compliance and Enforcement section.

The Audit Team also interviewed some members of the Mid Island Public Advisory Group.

**The following SFM Indicators were audited in the office:**

Mid Island Staff	Indicators Verified
Gary Skabeikis	24, 31, 32, 33
Gary Patrucco	12, 17, 18
Bernie Chapman	3, 7, 8, 14, 16

**Operations / Cut-Blocks verified during field audit:**

Operation / Block ID	Indicators Verified
Manual Brushing Blk. 3130	36
Harvested 2006, Planted 2007 Blk. 22014	7, 18, 30
Harvested 2005, Planted 2006-07 Blk. 22012	7, 9, 18, 27, 30
Herbicide Treatment Blk. 2257	7, 30, 36
Active Harvesting Blk 22003	18

## 5.6 Audit Findings

**Conclusions:**

The findings were discussed with Gary Skabeikis and the Mid Island Operations Staff. The Audit Team Leader commenced the closing meeting by thanking the Mid Island Operations staff for the cooperation and courtesy extended to the audit team during the audit.

In addition, the Audit Team Leader detailed the registration process, the requirements for future surveillance audits, and the re-registration process.

The closing meeting was attended by the personnel listed on the Opening / Closing Meeting attendance form maintained on file at the QMI Richmond office.

**The QMI Audit Team recorded the following audit results:**

**Summary of Documentation Review -**

The audit team reviewed the SFM documentation and the supporting EMS/SFM documentation current at the time of the audit.

**Nonconformances -**

The Surveillance Audit did not result in any findings of non-conformance.

**Status of Previously Raised Nonconformance(s) -**

Not applicable - re-registration in 2006 did not raise any findings.

- The following issues were discussed by the Mid Island Advisory Group with the Audit Team:
  - The MIFLAG membership voiced concern that the bi-monthly meetings may not be enough to keep current on the issues.
  - The MIFLAG membership have strong feelings that the aboriginal representatives should attend more meetings.
  - Members of the MIFLAG commended WFP for being very responsive to concerns and questions raised.
  - Members of the MIFLAG commended the facilitator in also being very responsive to timeliness and action items raised at the meetings.
  - MIFLAG members enjoy the field trips and presentations and feel SFM is being implemented over the forest operations.
  - MIFLAG membership felt that the consistency of the operations staff have helped ease the transition between the company ownership.
  - There was concern voiced that an informational session should be provided to the group regarding the regulations pertaining to public land management.
  - MIFLAG membership feel there is better representation presently of interest areas then there was a year ago and the new environmental stakeholder will be beneficial.
  - There was a favourable response from members in terms of the WFP commitment to address safety, public participation and community involvement.



-There was an overall positive MIFLAG response to the efforts made by WFP and the facilitator in terms of SFM and the functioning of the group.

### **Ministry of Forestry Compliance & Enforcement Interview: Paul Sackney, Forest Officer**

The Audit Team reviewed the Campbell River Forest District Compliance and Enforcement report on the Mid Island Operations C&E status for 2006-2007. The audit team was satisfied that Mid Island Operations staff are proactive when resolving C&E inspection findings. All alleged non-compliances provided by the MOF in their FS539 reports have been addressed through the WFP incident tracking system.

### **SFM System Positive Practices and Strengths:**

The Audit Team observed the following good management practices:

7.3.4 WFP has developed and maintained a trusting relationship with the Ministry of Forests in terms of compliance and enforcement.

6.3.4: The relationship developed with the MIFLAG.

7.4.6 The operations field maps are very detailed and provide information on the description of riparian areas and soil types.

7.4.7 The capturing of drips from fuel nozzles in the back of pickups.

7.5.1 The development and implementation of the EMS inspection matrix for each field activity.

### **SFM System Opportunities for Improvement:**

#### System Weakness -

5.2 Ensure that efforts are made and are documented to encourage Aboriginal forest users and communities to become involved in identifying and addressing SFM values.

5.4 Ensure the alternative strategy's are documented for any new or revised indicators.

7.3.4 Ensure all legal and other requirements are listed for each indicator in the SFM plan.

7.3.6.1 Ensure the data is collected and a tracking system exists for Indicator 27.

- 7.3.7 Ensure the SFM plan is updated to include a better description of the DFA and remove all references to Cascadia from the document.
- 7.5.1 Ensure that all required field inspections are carried out as per the requirements in the inspection frequency matrix.

Recommendations -

- 5.5 Consider updating the SFM website to include the most current terms of reference.
- 7.3.1 Consider adding some criteria for attendance to the MIFLAG meetings to improve attendance of the membership.
- 7.3.2 Consider including a section in the SFMP describing any shared responsibilities of all parties with an interest on the DFA.
- 7.3.6.1 Consider developing a reporting format for Indicator 24 in terms of how the recreation sites are maintained.  
  
Consider implementing Indicator 32 when it has been properly and thoroughly developed.  
  
Consider defining the usage categories on the MIFLAG website and Indicator 33.
- 7.3.7 Consider revising the SFMP to remove the statement that a “partnership agreement” exists with the First Nations since one is not finalized.
- 7.5.1 Consider having the information generated from the “As built road assessment” conveyed back to the Engineering Dept. to check for accuracy.
- 7.6 Consider an annual or semi-annual management review rather than quarterly.  
  
Consider identifying a specific section in the management review that deals with “public participation”.

## 6. GENERAL ASSESSMENT AND RECOMMENDATION

The Surveillance Audit was considered to be successful in confirming the status of the Western Forest Products Inc., Mid Island Forest Operations Defined Forest Area Sustainable Forest Management System, which continues to be suitable, adequate and effective.

The Mid Island Forest Operations DFA Sustainable Forest Management System based on a review of the documentation and the audit findings will be recommended for continued registration to CAN/CSA-Z809 (2002). The Mid Island Forest Operations SFM system is well prepared for the next surveillance audit to the CAN/CSA Z809:2002 standard.



Management Systems Registration

A handwritten signature in black ink, appearing to read 'Nate Ryant', is written over a light blue horizontal line.

Nate Ryant, RPF, QMI Lead Auditor  
Signature of Audit Team Leader

April 23, 2007  
Date

**QMI Lead Auditor Contact Information:**

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