



Corrective Action Request Verification Report

Organization Name: Alberta Pacific Forest Industries Inc (AI-Pac)

Certificate Code: SW-FM/CoC 1626

Location: Boyle, Alberta, Canada

Report Date: June 13th 2007

I. AUDIT PROCESS

Auditor, qualifications:

Keith Moore

Keith is a registered professional forester with an MA in Geography. He has been working in forestland management and environmental assessment in Canada and other countries since 1976. Since 2000, he has been team member or team leader on twenty-seven SmartWood assessments, pre-assessments, annual audits and pre-condition verification audits in Canada, Australia and Russia. He coordinated or participated in the field-testing of four FSC regional standards and has assisted with the development of national FSC standards in two other countries. He led the audit team for the AI-Pac assessment in 2005 and the annual audit in 2006. Canadian national.

Audit date:

May 23 - June 11, 2007

<p>Review process: (Documents reviewed, persons interviewed, etc.)</p>	<p>Desk audit; written questions and phone enquiries to AI-Pac; review of FSC documents on pesticide policy and guidance, and the National Boreal Standard (NBS).</p> <p>AI-Pac submitted documents on May 17, 2007 including:</p> <ul style="list-style-type: none"> - a cover letter; - a report "Forestry Chemical Use on the Alberta-Pacific Forest Management Area, 6 pages; - a report "Development Plan for Alternative Regeneration Standards (ARS) for the Alberta-Pacific Forest Industries Inc FMA, 5 pages and Update 2007, 1 page; and - minutes of meetings and correspondence. <p>The auditor concluded this material was inadequate to determine if the MAJOR CAR was met. The auditor sent a written list of questions to AI-Pac and requested additional information and documentation on May 23, 2007.</p> <p>On June 5, 2007, AI-Pac sent a written response to all the questions posed by the auditor. They provided additional information, made revisions to the key document "Forestry Chemical Use on Alberta-Pacific Forest Management Area" and provided additional documentation about meetings with quota holders.</p>
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<p>Audit overview:</p>	<p>The MAJOR CAR is met and closed. A new CAR 1/07 is imposed to be met by the annual audit in 2008.</p>
<p>Changes to procedures since last audit:</p>	<p>There have been no changes to procedures since the last audit.</p>

II. CAR REVIEW

MAJOR CAR 1/06: Within 6 months, AI-Pac shall:

1. **Monitor and report on the type, extent and frequency of use of chemicals by quota holders in forestry and roadside weed control programs and establish a baseline for assessing future trends in on-going use;**
2. **Establish a target and initiate programs with quota holders to reduce the use of chemicals used in forestry and roadside weed control programs on the FMA over the life of the certificate;**
3. **Ensure that there is no use of prohibited chemicals; and,**
4. **Work with quota holders to meet these requirements.**

Audit findings:

As described in the original assessment report (September 2005), AI-Pac does not use chemical herbicides in its forest management operations on the FMA, but does use chemicals for weed control along roads and rights-of way. At the time of the assessment in 2005, it was clear that AI-Pac did not have adequate baseline information about the extent of chemical use or the chemicals being used on the FMA by quota holders and the Alberta government in forestry operations, and by AI-Pac and other organizations for roadside weed control. Since the whole FMA is certified, AI-Pac is responsible for ensuring that chemical use meets the requirements of Criterion 6.6 and the five indicators in the Criterion. AI-Pac could not demonstrate this at the time of the assessment. Thus, this CAR was issued

in the original assessment, and was elevated to MAJOR CAR 1/06 in the first annual audit. The MAJOR CAR has four elements and each is reported here separately.

1. Monitor and report on the type, extent and frequency of use of chemicals by quota holders in forestry and roadside weed control programs and establish a baseline for assessing future trends in on-going use.

Al-Pac collected information about herbicide use by quota holders and the government Miscellaneous Timber Use (MTU) program over the last 12 years (1995-2006). They provided a table and graphs showing the area involved annually, the quantity and the chemicals used annually, and the application methods. Herbicides are used by 4 quota holders – Millar Western Industries Ltd; Vanderwell Contractors (1971) Ltd; Alberta Plywood Limited (West Fraser Timber); and Northland Forest Products Ltd – and the MTU program – Forest Resource Improvement Association of Alberta (FRIAA). Herbicides are not used by Al-Pac or 3 quota holders – S-11 Logging Ltd; Calling Lake Lumber Ltd; and Spruceland Millworks Inc.

Based on the information collected, Al-Pac established a baseline level of herbicide use on the FMA based on the average use over the 5 year period (2000-2004) immediately prior to certification. This baseline level of herbicide use is established at 5528 kilograms of active ingredient (kg.a.i) and will be used to track future trends in herbicide use on the FMA in order to confirm that requirements of Criterion 6.6 of the NBS are being met.

This information and the use of a 5 year period immediately prior to certification is consistent with the methodology applied in other certifications in the boreal region of Canada, and is considered a reasonable way to establish the baseline for assessing future trends in herbicide use in forestry operations. This part of the MAJOR CAR is met.

The MAJOR CAR also required information about roadside weed control and establishment of a baseline level of use for assessing future trends in roadside herbicide use. Al-Pac started roadside weed control using herbicides sometime after 2003, and its' spray contractor was still compiling the amounts of chemical used between 2004 and 2006. Al-Pac reported the amount it used, and the chemicals it used, in roadside control in 2006. Al-Pac reported that only other company doing roadside control is Millar Western, who began in 2006, and used a very minor amount (approximately 1.5 litres at 8 locations). None of the other quota holders have done any chemical roadside weed control. The auditor accepts that the 2006 information provided is sufficient to provide a baseline for monitoring future use and meets the requirement of the CAR.

Thus, the requirements of the first part of the CAR are met.

2. Establish a target and initiate programs with quota holders to reduce the use of chemicals used in forestry and roadside weed control programs on the FMA over the life of the certificate;

Al-Pac did not establish a percentage reduction target, as intended by the assessment team when the MAJOR CAR was written. However, Al-Pac has established the baseline of 5528 kg.a.i. as the target level from which herbicide use will be expected to be reduced to meet the requirements of the NBS. They have made a commitment to continue to monitor and report on herbicide use on the FMA.

Indicator 6.6.3 of the NBS requires that Al-Pac demonstrate “continual reduction of chemical use”. The Intent Box for Indicator 6.6.3 states that, “.. During normal forest management pesticide use should show a declining trend. Herbicide use is expected to show this declining trend...”. Al-Pac provided information to show that the present years are not a time of “normal forest management” in the case of herbicide use by quota holders. Because of a legislation change that was phased in for quota holders in

1994, and the start of harvesting on the FMA in a significant way after 1994, there appears likely to be an increasing use of herbicides in the years from 2006 to 2008 as quota holders meet the legal requirement that cutblocks are free-to-grow 14 years after harvesting. The information AI-Pac provided confirms an increasing use of herbicides since 2002 by quota holders. The auditor accepts that establishment of a reduction target is difficult in 2006/2007 because of the legal requirements and other factors. Indicator 6.6.3 does not require a specific target.

Thus, a target is not specifically required, but a baseline to assess the trends is, and AI-Pac has established the baseline.

AI-Pac provided information to show that it has been meeting regularly with the four large quota holders FRIAA and SRD and has initiated programs that will seek to reduce herbicide use on the FMA.. The major initiative is related to the development of "Alternative Regeneration Standards"(ARS) which will allow competing deciduous vegetation in the "free-to-grow" cylinder around conifer crop trees as long as the deciduous vegetation is not impeding growth potential of the tree. Current Alberta Regeneration standards require a 1.78 metre "competition-free cylinder" around every crop tree and herbicides are applied to remove the competing vegetation. AI-Pac has identified the development of ARS that will remove this requirement and allow deciduous species to remain within the cylinder if they are not inhibiting growth, as its main priority. Meetings with all the quota holders have been held regularly since early 2006, and the ARS are expected to be completed for approval by April 2008. A prototype has been completed for FMUs L1 and L11. Once approved, AI-Pac expects this new approach in the ARS will have a significant effect in reducing the amount of herbicide used on the FMA.

The second requirement of the MAJOR CAR is met.

3. Ensure that there is no use of prohibited chemicals

Herbicide applications on the FMA involve glyphosate – Release, Vision and Vision Max – (about 92 % of total use in 2006) and triclopyr (about 8% of total use in 2006, and only used by 1 quota holder).

Chemicals used in the roadside weed control program are clopyralid (Transline), metsulfuron methyl (Escort), siloxylated polyether (Sylgard) and 2-pyridine carboxylic acid (Milestone).

None of these chemicals is on the Highly Hazardous list and this requirement is met.

4. Work with quota holders to meet these requirements.

AI-Pac is working with the major quota holders to develop alternative regeneration standards which are anticipated to reduce herbicide use. They have also made presentations to these quota holders regarding their interest in reducing herbicide use to meet the requirements of the NBS. This is described above. In addition, an AI-Pac forester is chair of the Alberta Mixed Wood Association which is exploring plans to create mixed wood stands. This would also indirectly lead to reduced herbicide use.

AI-Pac is very actively involved in Intergrated Land Management programs with the energy sector, and is seeking to reduce both the extent of linear disturbance in roads and trails and the impact of these developments. Reducing the extent and impact of linear disturbance has the additional benefit of reducing the need for chemical weed control.

Thus, all four requirements of the MAJOR CAR 1/06 are met and it is closed.

The auditor notes however that this CAR was originally imposed to address the lack of information

about herbicide use. Now that information has been provided, it is evident that chemical use on the FMA exceeded the baseline of 5528 kg.a.i in 2006 and has increased significantly in each of the last four years from 2003 to 2006 and is predicted to increase further in 2007 and 2008. The use in 2006 was more than double the use in 2002, although still significantly less than in 2000 and 2001. These trends since 2002 indicate that Al-Pac is not, at this point, in conformance with Indicator 6.6.3 which requires “a continual reduction of chemical pesticide use with an eventual goal to their complete phase out over time. To date, Al-Pac has not presented any information related to the exceptional circumstances described in Indicator 6.6.3 in which herbicide use is accepted.

The work to develop Alternative Regeneration Strategies is consistent with the requirement of Criterion 6.6 to “strive to avoid the use of chemical pesticides” on the FMA, and may reduce chemical use as predicted. However, it is not certain at this time if the ALS will be accepted by the quota holders, completed, and approved by the Alberta government or if it will, in fact, lead to reduced chemical use. To meet Indicator 6.6.3, new CAR 1/07 is imposed.

Status: Met and Closed

Follow-up Action (if applicable): CAR 1/07 is imposed.

CAR 1/07: By the third annual audit, Al-Pac shall demonstrate that a continual reduction of herbicide use compared against the established baselines, both in forestry and roadside weed programs, can be achieved on the FMA, or a rationale for continuing use, consistent with the provisions of Indicator 6.6.3, shall be provided.

III. CONCLUSIONS

Audit Conclusions:

- CAR(s) closed
 - No follow-up required
 - New CAR issued (document new noncompliance in CAR table below)
- CAR(s) open
 - Company shall be suspended (Major CAR is not met)
 - Minor non-conformance has become a major non-conformance (see CAR tables below)

Comments/ Follow-up actions at next audit:

Follow-up required at the annual audit in 2008.

Corrective Action Requests (CARs):

CAR #: 1/07		Reference Standard #: Indicator 6.6.3
Non-compliance:		Description of non-compliance: Al-Pac has not demonstrated a continual reduction of chemical use with an eventual goal to their complete phase-out over time or provided a rationale showing that chemical use is essential and that non-chemical uses are not available, ineffective, or prohibitively expensive. In 2006, herbicide use exceeded the baseline and has increased significantly since 2002. Al-Pac predicts herbicide use will continue to increase to 2008.
Major	Minor	
	X	
Corrective Action Request:		

Al-Pac shall demonstrate that a continual reduction of herbicide use compared against the established baselines, both in forestry and roadside weed programs, can be achieved on the FMA, or a rationale for continuing use, consistent with the provisions of Indicator 6.6.3, shall be provided.

Timeline for compliance: By the third annual audit.

Report Approved by: Alexandre Boursier, Canada Regional Manager

Date: June 27, 2007