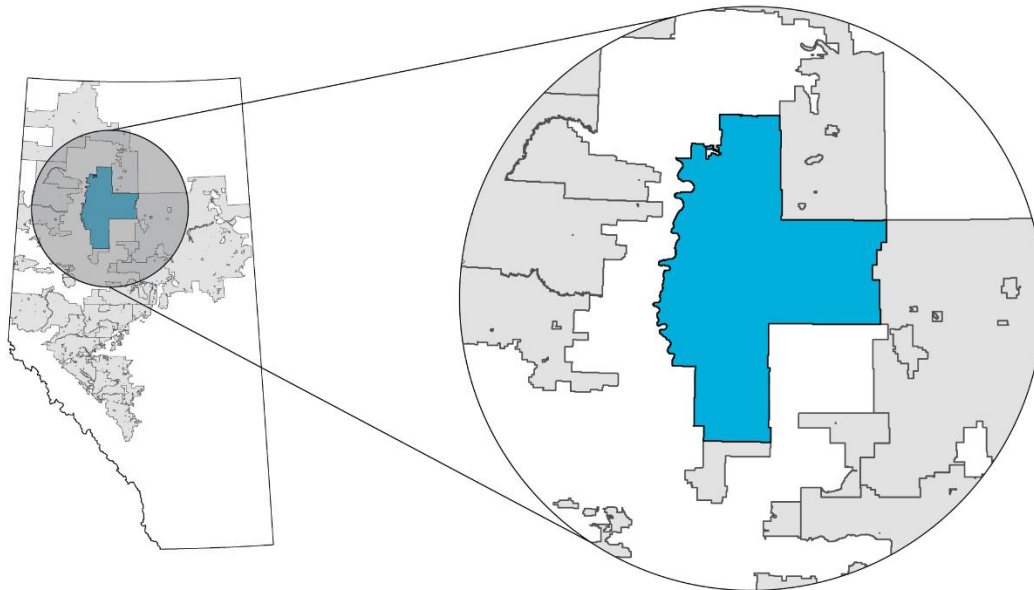

Forest management plan approval decision

**Forest Management Unit P21
Mercer Peace River Pulp Ltd. (East)**



Forest Management Agreement 0900044

Alberta 

Forest Management Plan

Approval Decision

Forest Management Unit P21

Mercer Peace River Pulp, Ltd.

Forest Management Agreement: FMA0900044

Date: July 14, 2022

Annual Allowable Cut

Effective Date: May 1, 2019

Approved by: _____

Original Signed

Ken Greenway

Executive Director

Forest Stewardship and Trade Branch

Mercer Peace River Pulp – East Forest Management Plan
(FSTB File Reference: Mercer Peace River Pulp East 2019 Forest Management Plan)

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Introduction

The Mercer Peace River Pulp Ltd. (Mercer) Forest Management Plan (FMP) is prepared to meet Forest Management General Provision 10 (1) of Forest Management Agreement (FMA) 0900044 commenced July 1, 2009. Acceptable FMPs are approved by the Executive Director, Forest Stewardship and Trade Branch (FSTB), Alberta Agriculture, Forestry and Rural Economic Development (the Department). This Approval Decision establishes conditions of approval for the FMP submitted on May 4, 2022.

The conditions herein are consistent with the terms of the FMA and failure by Mercer to fulfill the direction provided in this Approval Decision may place the company in default of its FMA.

The FMP was developed over a four-year period and lead by Forest Management Professionals. These professionals have authored and validated the proposed FMP. The department recognizes Forest Management Professional validated work as complete, accurate and prepared with professional due diligence. The following professionals are recognized for submission of this FMP:

- Gordon Whitmore, RPF – Mercer Peace River Pulp Ltd.
- Cyril Paquin, RPF – Silvacom

Forest Management Planning Area

The forest management planning area under consideration is Forest Management Unit (FMU) P21. The FMP includes the FMA and non-FMA portions of FMU P21, collectively known as the Defined Forest Area (DFA).

The DFA is located in northwest Alberta within the Lower Peace Land-Use Framework (LUF) planning region. The DFA falls within the Upper Boreal Highlands, Lower Boreal Highlands, Central Mixedwood and Dry Mixedwood Natural Subregions.

Background

The previous FMP for the DFA was approved April 25 2014 with an effective date of May 1, 2012. This FMP is prepared according to the Alberta Forest Management Planning Standard, version 4.1, 2006 (AFMPS) and replaces the previous FMP and associated conditions. The FMP introduces new information for planning, implementing and monitoring forestry operations on the DFA.

This FMP was due on or before December 1, 2020 as per section 10 (1) of the FMA. Approval Condition 13.0 of the FMP Approval Decision approved April 25 2014 stated that an updated FMP be submitted by May 1, 2019. A January 19, 2016 letter to DMI (now Mercer) extended the date from May 1, 2019 to May 1, 2020 due to inability of Mercer to complete an Alberta Vegetation Inventory. An April 29, 2020 letter from Mercer requested a modified submission citing the difficulty Mercer faced in completing consultation with the Public Advisory Committee and the Indigenous communities due to the COVID-19 pandemic and a corresponding inability to meet in face to face venues. The Department deemed the request to be reasonable/acceptable and an extension was granted to October 1, 2020. A further request was submitted to the Department on September 20, 2020 for a modified submission date to May 1, 2021 citing COVID and a lack of ability to meaningfully consult. The Department denied a formal extension but did acknowledge that the plan would be late. Mercer East FMP was submitted on May 21, 2021. A revised FMP with required edits was re-submitted on May 4, 2022.

The publication of this Approval Decision concludes the Department's appraisal of the FMP. The Department posts approved FMP's on its website to support public access to plans. Mercer remains obligated to make the approved FMP available to the public, interest groups and Indigenous peoples. Any errors or omissions within the Forest Management Plan are the sole responsibility of the FMA holder.

Approval Decision Scope

All tenure holders within the DFA shall conduct their activities in accordance with the approved FMP, this Approval Decision and associated conditions.

Mercer and the embedded tenure holders (where applicable), shall meet the requirements of the FMP approval conditions unless the Executive Director, FSTB, agrees to alternate requirements in writing.

In this document, **bolded text** identifies specific timelines and requirements of approval conditions. Non-bolded text presents the rationale for the condition and any specific considerations that are to be addressed to meet the condition.

Compliance with Applicable Regulatory Requirements

Mercer's Indigenous consultation for this FMP has been deemed adequate and in alignment with current policies and guidelines.

Mercer is responsible for the FMP content and any relevant responses provided to the public, interest groups and Indigenous peoples.

As this FMP is being implemented, Mercer and other tenure holders maintain their obligations to:

- Follow all applicable federal and provincial laws; and
- Meet all requirements regarding public engagement and Indigenous consultation.

In the event of an inconsistency between this FMP, associated Approval Decision and any existing, new or revised policy or legislation, the policy or legislation shall apply.

Where *Alberta Land Stewardship Act (ALSA)* regional or sub-regional plans are approved after the FMP is approved, the ALSA enabled plan shall take prominence. The Department and Mercer shall discuss implementation concerns and an adjustment to the FMP may be required.

Timber Supply Analysis

Pursuant to *Forests Act 14(2)*, the Department approves the annual allowable cut (AAC) from the Timber Supply Analysis for the Preferred Forest Management Scenario (PFMS) (Chapter 8; Table 8-10), of the FMP.

Approved Annual Allowable Cuts

The approved annual allowable cut (AAC) values shown below and in Tables 2 and 6 are contingent on:

- all assumptions made in this FMP being correct,
- the FMP strategies being followed by all timber disposition holders, and
- landbase conditions remaining stable relative to the Landbase Effective Date of January 1, 2019.

The Approved AACs effective May 1, 2019 are:

- Primary Coniferous AAC: 580,500 m³ per year
- Secondary Coniferous AAC: 254,700 m³per year
- Primary Deciduous AAC: 1,204,000 m³per year
- Secondary Deciduous AAC: 250,700 m³per year

Refer to Tables 1 and 5 for the Historical Allocations and Tables 2 and 6 for the Approved AACs.

Approved Tree Length Utilization Standard

Species	Stump Diameter Outside Bark (cm)	Top Diameter Inside Bark (cm)	Stump Height (cm)	Minimum Tree Length (m)
Coniferous	15	11	20	3.66
Deciduous	15	10	30	3.66

The utilization standards are approved for all FMUs within the DFA, pursuant to Section 9 Forests (Ministerial) Regulation, as shown in the table above.

Authorization

The FMP is approved subject to the approval conditions and AACs presented in this Approval Decision.

The AACs are effective beginning May 1, 2019 and will remain until a new FMP or AACs are approved. The AACs are predicated on all tenure holders harvesting the species profile identified in the spatial harvest sequence (SHS), within variance tolerances, and by implementing the silviculture prescriptions and other activities as presented in the FMP.

The SHS is effective beginning May 1, 2019. The SHS provided for the PFMS is approved by this Approval Decision with the following detailed exceptions.

Forest Management Plan Approval Conditions

Approval Condition	Page	Requirement	Approval Authority	Date
1.1 i-iv	7	Spatial Harvest Sequence	Forest Area Manager, Peace River Forest Area & Director, Forest Resource Management	Ongoing
2.1 i-ii	7	Stand Level Structure Retention	Director, Forest Resource Management	Ongoing
3.1 i	8	Habitat for Species of Concern	Director, Forest Resource Management	Ongoing
4.1 i	8	Growth and Yield	Director, Reforestation, Inventory and Biometrics	Ongoing
5.1 i-ii	8	Secondary Volume Utilization	Director, Forest Resource Management	Ongoing
6.1 i	8	Super Utilization Process	Director, Timber Production, Audit & Enforcement	Ongoing
7.1 i	9	Understory Protection	Director, Reforestation, Inventory and Biometrics	Prior to Implementation
8.1 i-ii	9	Timber Chargeability and Reporting- Structure Retention Accounting	Director, Timber Production, Audit & Enforcement	Ongoing
9.1 i-ii	9	Performance Monitoring and Reporting	Director, Forest Resource Management	November 1, 2024 November 1, 2029

10.1 i	9	Future Forest Management Plan	Executive Director, Forest Stewardship and Trade Branch	November 1, 2029
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The Approval Conditions direct Mercer to complete additional work to enhance the information presented.

1.0 Spatial Harvest Sequence

The SHS is the most important output of the FMP as it provides the implementation strategy all tenure holders must follow to achieve the FMP's forecasted future forest conditions. While dependent on many factors, future forest conditions are strongly influenced by harvest patterns, intensity and schedules. It presents spatially and temporally how the integration of environmental, economic, and social values will be achieved on the DFA. Adherence to a properly planned SHS is imperative; it will be monitored by both Mercer and the Department.

All tenure holders shall follow the approved SHS according to the Forest Management Planning Standard Interpretive Bulletin: Stewardship Reporting Requirements (the Bulletin) by compartment per decade and provincial Base 10 yield strata.

Proposed SHS variances, which are in contradiction to the FMP's main management goals, must have sound justification, and the requirement for such a change should be carefully reviewed by Mercer and the Department.

Approval Condition 1.1 Spatial Harvest Sequence

- i. **Stands may be added from the non-contributing landbase subject to Department approval.**
- ii. **Should tenure holders exceed the thresholds described in the Bulletin, the Forest Area Manager, Peace River Forest Area, may require the completion of a Compartment Assessment and the Director, Forest Resource Management, may recommend the reduction of the approved AAC to reflect the impact of the SHS variance.**
- iii. **Repeated deferral of any SHS stand is not permitted. All deferrals from this FMP shall be harvested within the SHS of the 2029 FMP or marked as deletions and removed from the contributing landbase.**
- iv. **Entry into any Caribou Aggregation Compartment (CAC) at a period other than that which was scheduled in the submission and approved will not be approved in any General Development Plan (GDP) or Annual Operating Plan (AOP).** Note that CAC is equivalent to Harvest Timing Series in 2022 ALSA Cold Lake and Bistcho Sub-Regional plans.

2.0 Stand Level Structure Retention

Structure retention is one of two indicators supporting objective 1.1.2.1 in Annex 4 of the AFMPS. Structure retention is a stand level indicator that contributes to conserving biological diversity across the landscape, and specifically aims to maintain portions of intact forest within harvested openings. Additionally, Mercer used projected stand level structure retention to ensure non-timber value modeling targets such as seral stages; Equivalent Clearcut Area (ECA) and songbird habitat were met.

Approval Condition 2.1 Stand Level Structure Retention

- i. **All tenure holders shall follow Structure Retention Strategy identified in the FMP. Structure retention targets shall be reported in the Stewardship Reports and as per the Strategy.**

Mercer's modeled ECA values and other Non-Timber Assessment (NTA) values include the presence of large patch (> 2 hectares) future retention in the calculations. As stated in 5.19 of the FMP, Mercer commits to leaving 7.5% retention (half of the 15% target) in large patches in its deciduous landbase operations. While there is no associated commitment to leaving large patch retention in the conifer landbase operations, given that both ECA and NTA modeled values include future large patch retention in the conifer landbase, large patch retention is necessary to achieve the FMP objectives.

- ii. The Department expects to see a component (approximately 1/3) of the internal (non-proximal) structure retention that is left on the conifer landbase consisting of >2 hectare patches.
 - a. **These large patch results will need to be tracked and reported in Stewardship Reporting in order to inform the next FMP as to validity of including future conifer retention in ECA and NTA values.**

3.0 Habitat for Species of Concern

The maintenance of habitat for identified species of concern is a fundamental objective of forest management planning within Alberta.

Approval Condition 3.1 Habitat for Species of Concern

The DFA overlaps with the Red Earth caribou range. The GOA is undertaking sub-regional planning for the area encompassing this range. Where Alberta Land Stewardship Act sub-regional plans are approved after the FMP is approved, the Alberta Land Stewardship Act enabled plan shall take prominence.

- i. **Mercer shall adhere to any direction provided by the relevant sub-regional plan, once approved.**

4.0 Growth and Yield

A credible and comprehensive Growth and Yield Program gathers key information for use in future timber supply analyses, and is used to monitor current FMP timber growth and yield assumptions.

Approval Condition 4.1 Growth and Yield

- i. **Mercer shall implement and meet commitments in the Growth and Yield Program (Annex 5, Appendix F of FMP document). Stewardship reporting shall provide an update on the progress of meeting the commitments.**

5.0 Secondary Volume Utilization

Utilization of secondary volumes was a concern throughout the FMP development process. The Department deems Mercer's proposed method of ensuring utilization in section 5.15 of the FMP to be reasonable.

Approval Condition 5.1 Secondary Utilization

- i. **Mercer will utilize all secondary volume generated by Quota Holders if it a) was sequenced in Period 1 or 2 of the approved SHS, and b) follow substitution rules introduced in Chapter 5 and finalized in the Operating Ground Rules.**
- ii. **Quota Holders will utilize all secondary volume generated by Mercer if it a) was sequenced in Period 1 or 2 of the approved SHS, and b) follow substitution rules introduced in Chapter 5 and finalized in the Operating Ground Rules.**

6.0 Super-Utilization Process

Chapter 9 of the FMP defines super-utilization as the use of a larger quantity of the wood-fibre from a given area through use of Mercer's Improved Forest Management system – the Portable Chipping system, than what would normally be utilized based on standard harvesting practices. While this increased utilization is commendable, a rigorous process must be followed to properly account for the harvested volume. An erroneous determined rate of super-utilization may lead to misrepresentation of the portion of the chipped volume that is chargeable against the AAC and, therefore, appropriate determination of timber dues.

Approval Condition 6.1 Super-Utilization Process

- i. **As stated in section 9.12.2 in the FMP, an annual report for each Timber Year will be submitted to the Director of Timber Production, Auditing and Enforcement by June 1 of the following Timber Year. This report will contain information on block-level volumes measured at the weigh scales, net merchantable volumes determined with the approved volume quantification process, the volume and percentage of code 99 undersized volume by block and by disposition and a summary table showing the weighted average volume and percentage of super-utilization by disposition for the past three years.**
 - a. **Failure to submit this report as per the above will lead to a Departmental review of strategy which may result in a revocation or a revision of the Super-Utilization Strategy approval.**

7.0 Understory Protection

Understory protection is an alternative method to harvesting trees that protects the understory to be harvested at the next stand entry. Understory protection has been incorporated into the Reforestation Strategy Table provided in Chapter 10 of the FMP. However, the reforestation standards need to be developed to meet the Reforestation Standard of Alberta (RSA) requirements.

Approval Condition 7.1 Understory Protection

- i. **Prior to implementation, Mercer shall submit establishment and performance survey reforestation standards for understory protection (UP) stands. Reforestation standards must be approved in writing by the Director, Reforestation, Inventory and Biometrics prior to use. As part of this process, Mercer must provide the Director with a clear definition of the selection criteria used to identify understory protection blocks in the current FMP.**

8.0 Timber Chargeability and Reporting

Approval Condition 8.1 Structure Retention Accounting

- i. As stated in section 5.20.1.5 of the FMP, in some instances reporting of the actual structure retention volumes may be delayed due to the time required to obtain to complete data. However, timely reporting of actual structure retention volume is the expectation.
 - a. **Actual volumes for structure retention must be submitted to the Department in conjunction with the subsequent Timber Years manual timber returns (using form TM7). Manual timber returns are due 30 days following the subsequent Timber Year end date of April 30.**
 - b. **If actual volumes for structure retention will not be available at the end of the subsequent Timber Year (as noted above), notification to the Department is required immediately upon identifying the cause for the delay. An action plan outlining the issue(s) along with timelines to complete and submit the actual volumes will be submitted to the Department for approval.**
- ii. **The timber volume that makes up in the FMA's Periodic Allowable Cut (PAC) and the timber quotas' Quadrant Authorized Allowable Cuts (QAAC) includes timber retained as structure retention and shall be reported in the year subsequent to timber harvesting. Failure to report Crown timber that comprises structure retention may result in risk of the PAC or a QAAC being overcut.**

9.0 Performance Monitoring and Reporting

Stewardship Reports are a comprehensive analysis of the performance of each tenure holder's activities during FMP implementation. Where deviations from the FMP exist, the Stewardship Report shall analyze and discuss the rationale for the deviations and describe each tenure holder's corrective action, taken or proposed.

Approval Condition 9.1 Performance Monitoring and Reporting

- i. **By November 1, 2024, Mercer shall submit a Stewardship Report covering activities from May 1, 2019 to April 30, 2024.**
- ii. **By November 1, 2029, Mercer shall submit a second Stewardship Report covering activities after April 30, 2024. It is recommended the second Stewardship Report be a component of the 2029 FMP.**

10.0 Future Forest Management Plan

In accordance with the FMA 0900044 section 10 (1), creation of an FMP with a mutually agreed to submission date is a requirement. This FMP submission date will be reflected in the FMA when it is renewed, or by way of an Unofficial Office Consolidation of the FMA.

Approval Condition 10.1 Future Forest Management Plan

- i. **By November 1, 2029, Mercer shall submit a new FMP with an effective date of May 1, 2029 for Department review that meets the requirements of the AFMPS, unless otherwise approved by the Minister.**

TABLE 1. HISTORICAL CONIFEROUS ALLOCATIONS AND ANNUAL ALLOWABLE CUTS

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Volume Supply Area	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15/11/30 cm	Secondary Coniferous AAC (m ³) 15/11/30 cm	Total Approved AAC (m ³)
P21	Mercer Peace River Pulp Ltd.	FMA0900044	Separate Distinct	FMA-Only	VSA 1, VSA 2	Based on previous FMUs: P5, S15 - DC, D P3, P4, F1 - D			264,200	264,200
P21	Boucher Bros. Lumber Ltd.	CTQP210001	Separate Distinct	FMA-Only	VSA 2	Based on previous FMUs: P4 - C, CD, DC	10.2299%	40,930		40,930
P21	Tolko Industries Ltd.	CTQP210005	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	19.0500%	76,219		76,219
P21	Kee Tas Kee Now Sawmill Limited Partnership, by its General Partner, Kee Tas Kee Now Sawmill Ltd.	CTQP210009	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	18.5198%	74,098		74,098
P21	West Fraser Mills Ltd.	CTQP210010	Separate Distinct	FMA-Only	VSA 1, VSA 2	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	48.2903%	193,209		193,209
P21	CTPP	CTPP	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC		15,644		15,644
FMU P21 Total								400,100	264,200	664,300

Notes:

May 1, 2012 Effective Date

CTPP is 3.91% of Primary Coniferous AAC

TABLE 2. APPROVED CONIFEROUS ALLOCATIONS AND ANNUAL ALLOWABLE CUTS

Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Volume Supply Area	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m ³) 15/11/20 cm	Secondary Coniferous AAC (m ³) 15/11/20 cm	Total Approved AAC (m ³)
P21	Mercer Peace River Pulp Ltd.	FMA0900044	Separate Distinct	FMA-Only	VSA 1, VSA 2	Based on previous FMUs: P5, S15 - DC, D P3, P4, F1 - D			254,700	254,700
P21	Boucher Bros. Lumber Ltd.	CTQP210001	Separate Distinct	FMA-Only	VSA 2	Based on previous FMUs: P4 - C, CD, DC	10.2299%	59,385		59,385
P21	Tolko Industries Ltd.	CTQP210005	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	19.0500%	110,585		110,585
P21	Kee Tas Kee Now Sawmill Limited Partnership, by its General Partner, Kee Tas Kee Now Sawmill Ltd.	CTQP210009	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	18.5198%	107,508		107,508
P21	West Fraser Mills Ltd.	CTQP210010	Separate Distinct	FMA-Only	VSA 1, VSA 2	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC	48.2903%	280,325		280,325
P21	CTPP	CTPP I	Separate Distinct	FMA-Only	VSA 1	Based on previous FMUs: P5, S15 - C, CD P3, F1 - C, CD, DC		22,697		22,697
FMU P21 Total								580,500	254,700	835,200

Notes:

AAC's were rounded down to the nearest 100m3. Primary conifer AAC was adjusted from 580,536 to 580,500 and Secondary from 254,782 to 254,700.
CTPP is 3.91% of Coniferous Primary Coniferous AAC

TABLE 3. MERCER PEACE RIVER PULP LTD. (EAST) FMA CONIFEROUS CHARGEABILITY
 Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	Coniferous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
All dispositions and FMUs (unless otherwise noted)			All	None	N/A	3%	AAC has not been reduced to account for Structure Retention. SR is AAC chargeable. Details for SR in FMP page 339. 5.19.1	See FMP Net Landbase Documentation	See FMP Net Landbase Documentation	All industrial salvage volumes are AAC chargeable. 5.20.1.1.1 for details. All salvage volume is secondary for both conifer and deciduous allocations.

TABLE 4. MERCER PEACE RIVER PULP LTD. (EAST) FMA CONIFEROUS UTILIZATION
 Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS					
					Top Diameter Inside Bark (cm)	Stump Diameter Outside Bark (cm)	Minimum Tree Length (m)	Stump Height (cm)		
All dispositions, FMUs and AAC types (unless otherwise noted)					All	All	11	15	3.66	20

TABLE 5. HISTORICAL DECIDUOUS ALLOCATIONS AND ANNUAL ALLOWABLE CUTS

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m ³) 15/10/30 cm	Secondary Deciduous AAC (m ³) 15/10/30 cm	Total Approved AAC (m ³)
P21	Mercer Peace River Pulp Ltd.	FMA0900044	Separate Distinct	FMA-Only	C, CD, DC, D	848,337	150,942	999,279
P21		Local Use	Separate Distinct	FMA-Only	C, CD, DC, D	4,263	758	5,021
P21	FMA AAC Subtotal	FMA0900044	Separate Distinct	FMA-Only	C, CD, DC, D	852,600	151,700	1,004,300
FMU P21 Total						852,600	151,700	1,004,300

Notes:

May 1, 2012 Effective Date

TABLE 6. APPROVED DECIDUOUS ALLOCATIONS AND ANNUAL ALLOWABLE CUTS

Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m ³) 15/10/30 cm	Secondary Deciduous AAC (m ³) 15/10/30 cm	Total Approved AAC (m ³)
P21	Mercer Peace River Pulp Ltd.	FMA0900044	Separate Distinct	FMA-Only	C, CD, DC, D	1,197,980	249,447	1,447,427
P21		Local Use	Separate Distinct	FMA-Only	C, CD, DC, D	6,020	1,253	7,273
P21	FMA AAC Subtotal	FMA0900044	Separate Distinct	FMA-Only	C, CD, DC, D	1,204,000	250,700	1,454,700
FMU P21 Total						1,204,000	250,700	1,454,700

Notes:

AAC's were rounded down to the nearest 100m³. Primary deciduous AAC was adjusted from 1,204,063 to 1,204,000 and Secondary from 250,727 to 250,700. Local use is 0.5% per FMA 8(2)(a).

TABLE 7. MERCER PEACE RIVER PULP LTD. (EAST) FMA DECIDUOUS CHARGEABILITY
Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	Deciduous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
All dispositions and FMUs (unless otherwise noted)			All	None	NA	15%	AAC has not been reduced to account for Structure Retention. SR is AAC chargeable. Details for SR in FMP page 339. 5.19.1	See FMP Net Landbase Documentation	See FMP Net Landbase Documentation	All industrial salvage volumes are AAC chargeable. 5.20.1.1.1 for details. All salvage volume is secondary for both conifer and deciduous allocations.

TABLE 8. MERCER PEACE RIVER PULP LTD. (EAST) FMA DECIDUOUS UTILIZATION
Effective Date: May 1, 2019

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS					
					Top Diameter Inside Bark (cm)	Stump Diameter Outside Bark (cm)	Minimum Tree Length (m)	Stump Height (cm)		
All dispositions, FMUs And AAC Types (unless otherwise noted)					All	All	10	15	3.66	30

TABLE 9. FIBER TRANSFER AGREEMENTS WITHIN THE MERCER PEACE RIVER PULP LTD. (EAST) FMA AREA

Source Company	Source Disposition Number	Transfer Type	Company Directed To	Species Group	Volume (m ³ /yr)	Comments
Mercer Peace River Pulp Ltd.	FMA0900044	FMA	Boucher Bros. Lumber Ltd.	Coniferous	59,738	CTQP210001 Schedule C Clause 3 states that QH will be offered the coniferous volume incidental to the approved deciduous operations of the FMA Holder. From VSA 1: 11.6712% of secondary AAC of P21. From VSA 2: 11.7829% of secondary AAC of secondary AAC of P21.
Mercer Peace River Pulp Ltd.	FMA0900044	FMA	Kee Tas Kee Now Sawmills	Coniferous	31,893	CTQP210009 Schedule C Clause 3 states that QH will be offered the coniferous volume incidental to the approved deciduous operations of the FMA Holder. From VSA 1: 12.5219% of secondary AAC of P21.
Mercer Peace River Pulp Ltd.	FMA0900044	FMA	Toiko Industries Ltd.	Coniferous	49,330	CTQP210005 Schedule C Clause 3 states that QH will be offered the coniferous volume incidental to the approved deciduous operations of the FMA Holder. From VSA 1: 19.3681% of secondary AAC of P21.
Mercer Peace River Pulp Ltd.	FMA0900044	FMA	West Fraser Mills Ltd.	Coniferous	113,739	CTQP210010 Schedule C Clause 3 states that QH will be offered the coniferous volume incidental to the approved deciduous operations of the FMA Holder. From VSA 1: 35.6650% of secondary AAC of P21. From VSA 2: 8.9909% of secondary AAC of secondary AAC of P21.