

Nicola-Similkameen Innovative Forestry Society



January 23, 2008

Office of the Regional Executive Director
515 Columbia St.
Kamloops
BC
V2C2T7

Attention: Dirk Trigg & Jeff Stone

Dear Sirs:

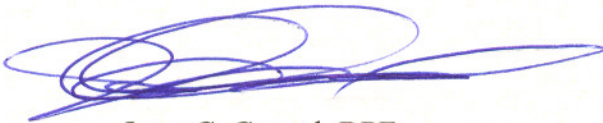
Re: NSIFS MPB STRATEGY ANNUAL REPORT- 2007

Please find the attached 2007 Annual Report in order.

If you have any questions or would like clarification on any items please contact the undersigned.

Yours truly,

Nicola Similkameen Innovative Forestry Society



Jerry C. Canuel, RPF
BOD-Chair

cc: Board of Directors, Nicola Similkameen Innovative Forestry Society
Chuck van Hemmen, District Manager, Cascade Forest District

NICOLA-SIMILKAMEEN INNOVATIVE
FORESTRY SOCIETY

MOUNTAIN PINE BEETLE STRATEGY
2007 ANNUAL REPORT

January 10, 2008

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as of January 1, 2008

1. Introduction

The intent of this report is to provide a general update of the Mountain Pine Beetle infestation in the Merritt TSA and the harvesting activities of the IFPA licensees. This report satisfies conditions 4 and 5 of the IFPA extension conditions and covers the period from January 1, 2007 to December 31, 2007. This report reviews the accomplishments and plans of the licensees and highlights some comparisons with the previous reporting period. Included is a general description and summary of the beetle situation, a review of previous requirements, 2007 completed harvesting summary, and 2008 planned harvesting.

2. General Summary of Merritt TSA beetle levels

The Merritt TSA experienced a significant increase in red and green attack pine in 2007. As indicated in appendix 2 the heavily infested and volume at risk went from 8,587,944 m³ in 2006 to 13,921,314 m³ in 2007, an increase of 62%.

Of equal significance is the amount of red attack within these stands. Approximately 3,618,210 m³ of the heavily infested volume (44%) is greater than 30% red which is a significant increase is over 2006, however the percentage increase is not known as this information was not recorded in 2006.

In 2007 there were several cases of older plantations with high level of both red and green attack. It is anticipated that the beetle will not do as well in these immature stands and the majority of beetle attack is originating from adjacent mature stands. Once the beetle populations decline within a landscape unit the infestations in these plantations should subside.

Table 1 summarizes from appendix 2 the amount of heavily infested volume and volume >30% red attack by landscape unit.

Landscape unit	Heavily infested m ³	>30% red m ³
Upper Nicola	1,385,962	592,726
Swakum	1,100,000	800,000
Similkameen	947,802	467,802
Summers	805,437	666,087
Lower Nicola	787,000	387,000
Hayes	535,866	220,000
Spius	523,000	60,000
Otter	890,150	150,000
Smith-Willis	267,595	109,595
Tulameen	499,000	0
Coldwater	465,000	45,000
McNulty	1,200	0
Total	8,207,862	3,618,210

3. Beetle Overview Flight

The NSIFS Mountain Pine Beetle Strategy requires that a beetle overview flight be conducted either from the air or from viewpoints on road systems. These assessments were completed throughout the summer and early fall. In many landscape units detailed flights are no longer required as all the Lodgepole Pine stands have a red attack component.

The original strategy required overview flights to be done by September 1 in order for the resulting information to be used in operational planning. As licensees have a large surplus of heavily infected stands the overview flight data is not as critical for determining development priorities.

4. Ground Surveys

Informal ground surveys were conducted during cutting permit development. In most areas of the TSA there was a significant increase in beetle infected timber with some drainages experiencing attack levels of greater than 80%.

It is difficult to estimate a green to red ratio with the current trend towards mass flights and mass attacks. There are many accounts of stands with high levels of green attack and minimal red attack. In these cases it is assumed that the beetles did not generate from within the stand but are a result of a mass migration from adjacent areas.

5. Development Planning

The volume submitted for approval was not reported as all IFPA licensees have moved to Forest Stewardship Plans and individual blocks are no longer submitted. Licensees all have a sufficient amount of heavily infested volume approved to prevent the necessity of harvesting greenwood.

6. Roads Ahead Strategy

The relatively good access levels within the Merritt TSA and the nature of where the most significant beetle infestations are resulted in minimal need to pursue a roads ahead strategy. The majority of road construction in 2007 was in block roads as the most blocks are large and adjacent to existing mainlines.

7. Development Harvest Priorities

All licensees have a surplus of high priority beetle stands within their operating area and it was not necessary to rank and prioritize stands throughout the TSA. It is estimated that the large majority of harvesting is planned in attack level 5 (>15%) which is the highest priority level.

8. 2007 Harvesting Completed (Jan 1 – Dec 31)

By the end of 2007 the NSIFS licensees harvested a total volume of 1 957 611 m³ which is 89% of the planned harvest volumes for this period and 107 % of the available AAC. All licencees with the exception of Ardeu Wood Products harvested below their planned target volumes for the year. The 2006 harvest was approximately 12% higher than the 2007 harvest as licensees were utilizing undercut volume from the 2005 uplift.

The total volume harvested was distributed across the following priority categories:

		2006	2007
<u>MPB</u>	Heavily Infested Volume	93.4%	93%
	Volume at Risk	2.5%	3%
	Blocks >70% PI	not recorded	77%
		95.9%	96%
<u>Other</u>	Other Salvage (Blowdown)	2.3%	3%
	Other (Greenwood)	1.8%	1%

The 2007 harvesting was very similar to 2006 in terms of priority category and continues to consist primarily of heavily infested MPB stands and volume at risk to MPB.

In 2007 licensees reported the volume harvested that was in blocks >70% PI volume. Licensees harvested 77% of the volume from >70% PI stands. The remaining volume was in Lodgepole Pine leading stands with most being 60 to 70 percent pine.

Other harvesting in greenwood was again necessary to either meet mill needs or to manage cutting permit expiry issues.

9. 2008 Planned Harvesting

For 2008, NSIFS licencees plan on harvesting a total volume of 2,107,745 m³ which is 114 % of the total AAC for that period. This demonstrates the licencees efforts in increasing harvesting and to utilize uplift volume and the commitment to reduce beetle numbers and keep unsalvageable losses to a minimum.

It is anticipated that greater than 90% of harvest will be in heavily infested stands and greater than 95% in heavily infested and volume at risk.

10. Conclusion and General Direction for 2008

Licensees will continue to allocate greater than 95% of harvesting resources against beetle affected stands. Planned harvest levels for 2008 are slightly higher than the volume harvested in 2007 and will fully utilize the available cut for this period of time.

Licensees will continue to follow the “Merritt TSA MPB Uplift Operational Subcommittee Guidelines” in their development and operations in 2008. This will result in increased environmental protection and consistency among licensees.

Appendix 1

**NSIFS Mountain Pine Beetle Strategy
IFPA Licensee 2007 Actual Harvest Volumes**

	Core AAC	Jan 1, 2004 IFPA uplift	July 13, 2005 IFPA uplift	Total AAC	Planned cut 2007	Actual Cut 2007	2007 of Plan YTD	%
Aspen	132,744	92,596	57,404	282,744	282,000	241,626		86
Aspen/Stuwix		0	200,000	200,000	275,000	166,388		61
Weyerhaeuser	443,556	0	70,575	514,131	609,694	563,138		92
Stuwix	0	240,473	75,000	315,473	404,300	367,098		91
Tolko	338,255	36,377	86,667	461,299	560,975	520,366		93
Ardew	35,100	19,015	10,354	64,469	80,000	98,995		124
Total	949,655	388,461	500,000	1,838,116	2,211,969	1,957,611		89

Total m3 harvested in 2007:	1,957,611	
Breakdown of harvested timber		
	Volume (m3)	% of total
> 70% PI stands	1,499,856	77%
Category		
	Volume (m3)	% of Total
Heavily Infested	1,826,809	93%
Volume at Risk	49,839	3%
Other Salvage	52,039	3%
Other	28,924	1%

Appendix 2

NSIFS Mountain Pine Beetle Strategy Summary of Beetle Priority Volumes and Harvest Plans as of January 1, 2008

Licencee	Landscape Unit	Priority Beetle Volume (m3)			2008 Harvest Plans (m3)	Unaddressed Volumes (m3)
		> 30% red	Heavily Infested Volume	Volume at Risk		
Weyerhaeuser	Hayes	30,000	95,866	230,332	22,000	304,198
	Similkameen	207,595	607,595	675,707	168,000	1,115,302
	Smith-Willis	109,595	249,595	415,291	51,000	613,886
	Summers	506,087	547,787	1,070,311	260,000	1,358,097
	Upper Nicola	91,545	137,317	30,242	137,317	30,242
Aspen	Lower Nicola	300,000	500,000	50,000	157,000	393,000
	Spilus	60,000	423,000	60,000	100,000	383,000
	Hayes	40,000	150,000	30,000		180,000
	Swakum	800,000	1,100,000	50,000	300,000	850,000
	Summers	20,000	20,000			20,000
Ardew	Upper Nicola	35,000	65,000	100,000	65,000	100,000
BCTS	Upper Nicola	300,000	550,000	0	100,000	450,000
	Coldwater	15,000	15,000	0	0	15,000
	Lower Nicola	17,000	17,000	56,000	25,000	48,000
	Summers	100,000	130,000	110,000	70,000	170,000
	Spilus		0	10,000	0	10,000
	Otter	20,000	60,000	180,000	110,000	130,000
	Tulameen	0	94,000	94,000	35,000	153,000
	Similkameen	200,000	280,000	220,000	69,870	430,130
	Hayes	150,000	290,000	650,000	0	940,000
Smith Willis	0	18,000	12,000	12,000	18,000	
Tolko	Upper Nicola	80,000	330,000		30,000	300,000
	Lower Nicola	70,000	270,000		70,000	200,000
	Spilus		100,000	350,000	25,000	425,000
	Coldwater	100,000	450,000		55,000	395,000
	Otter	130,000	830,000		150,000	680,000
	Summers	40,000	100,000		30,000	70,000
	Tulameen	50,000	400,000	600,000	100,000	900,000
Stuwix	Lower Nicola	0	0	0	0	0
	Hayes	0	0	0	0	0
	McNulty	0	1,200	38,800	0	40,000
	Otter	0	0	0	0	0
	Similkameen	60,207	60,207	0	120,414	-60,207
	Swakum	0	0	0	0	0
	Summers	0	7,650	5,100	12,750	0
	Tulameen	0	5,000	25,300	0	30,300
Upper Nicola	86,181	303,645	650,370	254,264	699,751	
Totals		3,618,210	8,207,862	5,713,452	2,529,615	11,391,699

Note:

Heavily infested volume - >200 GA/ 20 ha.

Volume at Risk - 1 - 200 GA/ 20 ha., <2 km from a heavily infested area