EXECUTIVE SUMMARY

APPROACH

Corner Brook Pulp and Paper Limited (CBPP) has taken considerable care and has committed to major mitigation measures in planning for the harvest of timber resources in the Main River watershed.

The environmental concerns which have been identified include: the Heritage River designation for the River; the presence of the Newfoundland Pine Marten; the old-growth gap replacement forest of the region; potential conflicts with Outfitter operations; and the need to ensure ecological connectivity with the adjacent Gros Morne National Park. These issues require careful planning and attention to the principles of sustainable development.

The adaptive management approach as advocated by the Department of Forest Resources and Agrifoods (DFRA) has been used to ensure that the environmental effects of harvesting activities are reduced to an extremely low level. Development of an Ecosystem Based Forest Management Strategy for FMD16 by DFRA (Nicoll 2001) provides a framework for CBPP and all other stakeholders to participate in a process of Sustainable Forest Management.

The keystones of the CBPP approach to sustainable forest management in the Main River watershed include:

- Eliminating clear cutting in the watershed;
- Limiting harvest volumes from the watershed to an annual average of 25,000 m^3;
- Contributing a large area of Company timber limits where no harvesting will occur along the main stem of the river. This led to the acceptance of the Heritage River Management Plan by the Canadian Heritage River Board and the designation of the Main River as a Canadian Heritage River;
- Using selection harvesting techniques to retain the age structure and habitat quality of the forest ecosystem for use by Newfoundland Pine Marten and other species;
- Conducting all CBPP wood harvesting operations in compliance with the Company's ISO14001 Environmental Management System; and
- Working with outfitters operating in the Main River area to develop plans whereby both Outfitting and Forest Management operations can coexist successfully.

In addition, CBPP continues to apply its adaptive management approach in the Main River watershed, and thereby gain new knowledge and continually improve forest management practices over time. CBPP plans to conduct trials of several harvest patterns over the next few years and implement monitoring to assess the effectiveness

of this strategy. Initially, monitoring will primarily focus on habitat values and connectivity. These monitoring programs are being developed with the Gros Morne Connectivity Working Group comprising scientists and also managers from the Park; the Parks and Natural Areas Division and the Inland Fish and Wildlife Division of the Dept. of Tourism, Culture and Recreation; the DFRA; the Canadian Forest Service, and CBPP.

Through the formation of the Gros Morne National Park Connectivity Working Group, the Company is working with Parks Canada to ensure that forest management activities adjacent to the park do not negatively affect the ecological integrity of the park. CBPP continues to cooperate with the Wildlife Division of the Department of Tourism, Culture and Recreation to ensure the provision of sufficient suitable habitat for the recovery of the Newfoundland Pine Marten in western Newfoundland.

CBPP has contributed more than 17,000 hectares of its timber limits to provide for the designation of the Main River as a Canadian Heritage River. This designation was granted in August 2001. The management plan for the Heritage River will protect the natural and wilderness values along the full length of the river and provide for expanded eco-tourism opportunities in the White Bay South area.

Tourism and recreation are important values derived from Newfoundland's forests. CBPP has signed a Memorandum of Understanding with the Newfoundland and Labrador Outfitters Association and works with individual outfitters to address their concerns with forest management activities on CBPP timber limits. Conflicts between outfitting operations and forest management operations are essentially a resource allocation issue. As such they can only be fully addressed in the context of a comprehensive land use policy in the Province. However, as stated in the Department of Forest Resources and Agrifoods' FMD 16 Strategy Document, "The Province of Newfoundland and Labrador presently has no comprehensive land use planning framework and has not attempted to integrate existing sectorial land use plans, such as those created under the auspices and authority of the *Forestry Act*, under a formalized policy." Nevertheless, CBPP is committed to working with outfitting operations that have been established on CBPP timber limits to reach compromises whereby both parties can co-exist successfully.

Forest management activities in FMD 16 support a significant portion of CBPP's contribution to the economic and social benefits derived from Newfoundland's forests. The proposed Five-Year Operating Plan that is the subject of this EPR represents a high level of achievement by the Company and reflects its corporate commitment to Sustainable Forest Management.

EPR GUIDELINES

The Guidelines identify seven categories where specific information is requested. Each category is listed below and the response summarized.

Adaptive Management Process

The Guidelines identified the need to describe the Adaptive Management process in

order to demonstrate how participation in the process will reduce negative effects.

The EPR provides an overview of the Adaptive Management approach as implemented by the Department of Forest Resources and Agrifoods. The proposed operations by CBPP in the Main River watershed will apply an adaptive management approach which serves to increase knowledge about the forest in the watershed and results in improved management practices. A comprehensive listing is presented of current and proposed research efforts, studies and initiatives by CBPP that are linked with and contribute information regarding the proposed harvesting within the Main River watershed and their relationship to the Goals and Objectives of the FMD 16 Strategy Document.

General

The EPR is to state the percentage of the mill's annual timber requirements which will be provided by harvesting in the Main River watershed. It should provide an overview map of the Main River watershed. It should provide information on the Science Advisory Group and it should confirm that mitigative measures described in the Environmental Evaluation are corporate commitments.

During the period 2002-2006, an annual average of 25,000 m^3 of wood will be harvested from the watershed. This amounts to approximately 3% of the annual requirements of the mill. An overview map has been included in the EPR. The Science Advisory Board is described and CBPP confirms its commitments to mitigative measures, rehabilitation plans and monitoring.

Forestry

The EPR is to address how the proposed forest harvesting activities are linked and integrated with the guiding principles, goals and objectives of the Forest Management District 16 Strategy Document. t is also to describe current and proposed research efforts and studies that are linked with and contribute information regarding the proposed harvesting. The EPR should identify harvest strategies and volumes for 2002-2006 and discuss results of ongoing studies on the environmental effects of these strategies. A map is to be provided with a 20-year forest age-class structure to aid in impact predictions upon migratory birds and species at risk. The EPR is to provide details of proposed road construction for the Main River watershed.

A table has been developed to illustrate how the activities of CBPP (including forest harvesting activities) are linked and integrated with the forty-one Objectives contained in the FMD 16 Strategy Document. The CBPP harvest strategy is to minimize the annual harvest from the watershed and implement a variable retention harvest system that will more closely emulate the natural disturbance regime in the area. A key ingredient of this strategy is the commitment by CBPP to eliminate clear-cutting n the Main River watershed. Selection harvest techniques and reduced annual harvest volumes will ensure that large tracts of mature forest remain on the landscape through time. CBPP proposes to conduct harvest trials in two blocks in the watershed in 2002. The selection harvesting trial carried out in 2001 in the watershed is described. The same strategy of selection harvest in accordance with the Newfoundland Pine Marten Guidelines will be employed in 2003-2006. A 20-year forest age class structure of the Main River watershed is included in the EPR. The proposed road construction program for the 2002-2006 period is identified. In total 97 km of primary access road is proposed for construction.

Wildlife

The EPR is to provide details with respect to Newfoundland Pine Marten and migratory birds.

More recent and in-depth research results were asked to be included to provide a baseline for assessing the potential impacts of forestry operations on marten populations. A comprehensive review of the literature was undertaken and relevant recent publications incorporated. A description is presented of Pine Marten habitat evaluation modeling work that has been undertaken by CBPP in cooperation with the Wildlife Division. The model has recently been revised and was run to assist in predicting the effect of the proposed harvesting on Pine Marten habitat. Because a selection harvest approach does not exceed the habitat suitability criteria for the Newfoundland Pine Marten, the area remains as suitable after harvesting as it did before. On that basis, the proposed Five-Year Operating Plan is predicted to have a minor (not significant) residual environmental effect on the Newfoundland Pine Marten.

The EPR is to review forest structure requirements and Guilds for birds and review impact predictions taking into account forest structure requirements and the revised species list. Based on input from the Canadian Wildlife Service, a table was developed presenting groupings of birds species by habitat selection guild applicable to the Main River watershed.

The EPR addresses the population status of forest birds and identified species in decline that are associated with old/mature and interior forests in Newfoundland. Seven bird species were identified which may be in decline (globally or locally) and which may be present in the Main River watershed area. By leaving at least 30% of merchantable timber standing in harvest areas, habitats will not be altered. This practice along with mitigative measures (which were reviewed and discussed) resulted in the prediction that the effect of wood harvesting operations in Main River on migratory birds is minor (not significant).

Outfitting Lodges

The EPR is to review the impact prediction on such issues as outfitter conflicts. As well, the EPR is to examine the impact of increased accessibility on non-resident hunter expenditure and outfitter revenues using information available from the Strategic Tourism Product Development Division of the Department of Tourism, Culture and Recreation. The EPR is to predict the impact of forest access roads on increasing accessibility and hunter crowding taking into account information available from the Department of Tourism, Culture and Recreation. It is to address the status of the “Roads Access Management Strategy”.

Corner Brook Pulp and Paper Limited has entered into a Memorandum of Understanding (MOU) with the Newfoundland and Labrador Outfitters Association. This MOU outlines a procedure for addressing land use conflict issues, while acknowledging and respecting the rights of both parties.

The sources of information identified in the Guidelines were not available to CBPP for analysis. It was however, possible to develop an indirect comparison. The results of the

analysis fail to illustrate any negative effect from forest access roads on increased accessibility and hunter crowding. In FMD 16 there does not appear to be any clear relationship between new forest road construction and the number of big game applications, licenses issued, or hunter success.

With respect to the "Roads Access Management Strategy", the Company has advised the District Ecosystem Manager that they are supportive of this initiative and available to participate when requested.

Main River As a Heritage River

The EPR is to describe the status of the Stewardship Agreement to protect the natural and recreational values of the Main River Valley. The EPR was also asked to evaluate the VECs for the Canadian Heritage River designation for Main River.

The Stewardship Agreement is described. The agreement has been drafted by the Parks and Natural Areas Division, however, it has not yet been executed. CBPP is committed to its role as a party to the agreement.

The VECs (natural and recreational values of the Main River) have already been evaluated in the Main River Management Plan prepared by the Dept. of Tourism, Culture and Recreation with the conclusion that the effect of timber harvesting will not result in negative impacts on these values. CBPP has adopted a policy of no clear-cutting in the entire Main River watershed. This policy will further reduce the potential effects of timber harvesting in the watershed beyond what was contemplated in the Management Plan that was approved by the Canadian Heritage River Board. Therefore, it is concluded that the Project will have a negligible (not significant) residual environmental effect on Main River natural heritage and recreational values.

Gros Morne Park

The EPR is to include an environmental evaluation of the four focus species (pine marten, lynx, caribou and passerine birds) and should predict the effects of the undertaking upon connectivity.

The EPR provides a summary of the efforts of the Gros Morne National Park Connectivity Working Group (of which CBPP is a member), including the evaluation of the four identified focus species/groups. The use of carefully designed monitoring programs and the application of Adaptive Management principles will serve to identify and react to unanticipated changes. Therefore CBPP is confident that it can place a relatively high level of confidence in the impact prediction of negligible effect of the Undertaking upon connectivity.