

Audit of Forest Planning and Practices on Nisga'a Lands

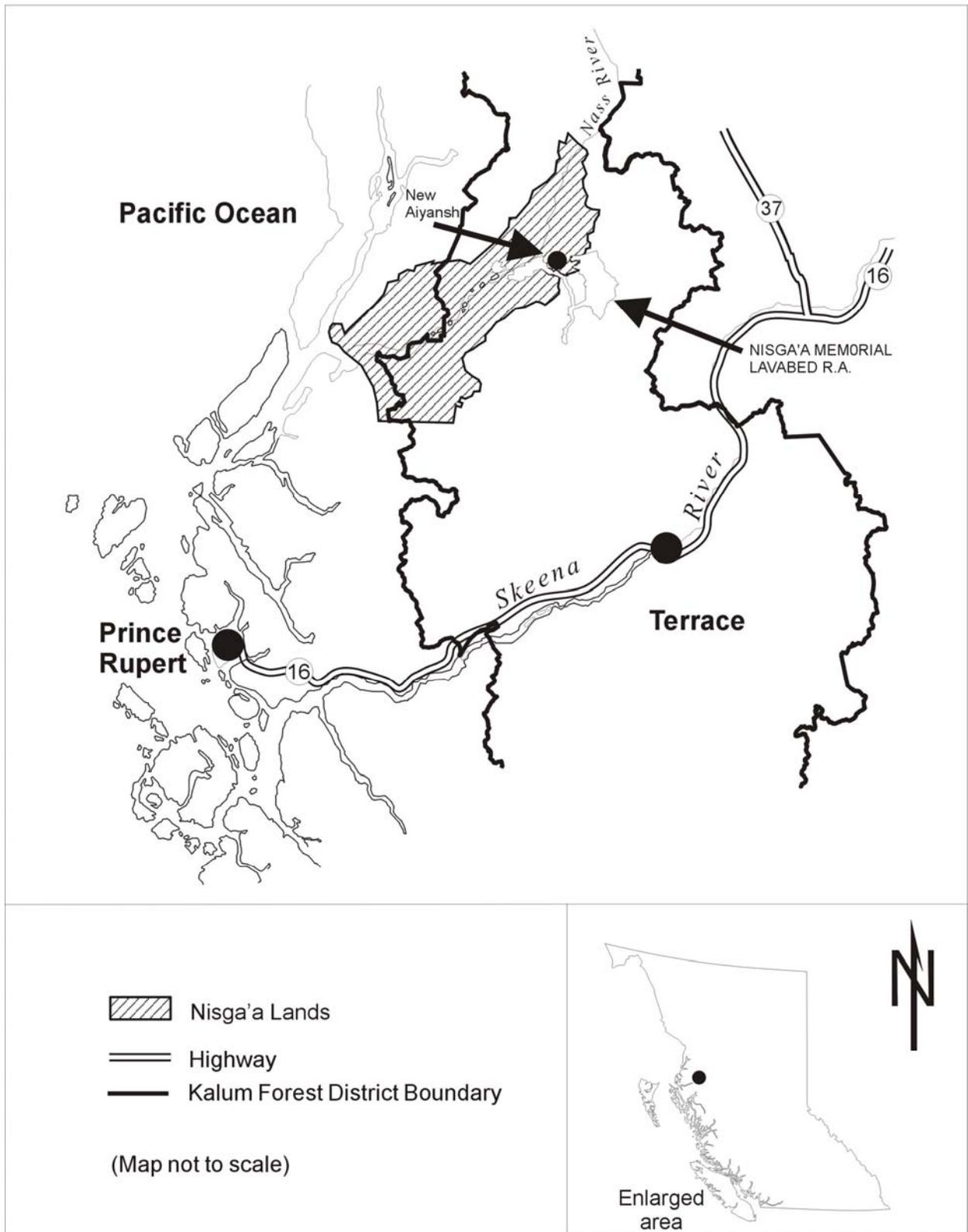
Interim Report



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Audit of Nisga'a Lands



Update on the Forest Practices Board's 2005 Audit on Nisga'a Lands

The Nisga'a Lands

Under the Nisga'a Final Agreement (the Agreement), in May 2000 the Nisga'a Nation was formally granted rights to the Nisga'a lands, an area of approximately 200,000 hectares in and around the Nass Valley, 100 kilometres northwest of Terrace (see map on page 1).

The Nisga'a Final Agreement Transition Period

The Agreement provided for a five-year transition period ending on May 10, 2005, during which forestry operations under existing Crown licences on Nisga'a lands would be wound down. During this transition period, authority over forest operations on those lands was transferred from the Ministry of Forests and Range (MOFR) and the Ministry of Environment (MOE) to the Nisga'a Nation.

The Agreement required the Forest Practices Board (the Board) to conduct annual audits of licensee compliance with, and government enforcement, of forestry legislation and the forestry provisions of the Agreement during the transition period.

The Nisga'a Compliance Audit Process

The Board has published compliance audit reports for the first four years of the transition period. Field work for the final audit of the transition period took place in September 2005.

Five parties had forestry activities or obligations on Nisga'a lands that were subject to audit in 2005:

- New Skeena Forest Products Inc. (NSFP);
- Sim Gan Forest Corporation;
- West Fraser Mills Ltd.;
- BC Timber Sales; and
- the district manager of the Kalum Forest District.

NSFP, the primary holder of harvest rights during the transition period, remained in bankruptcy protection throughout the final year of the transition period.

NSFP was also in bankruptcy protection during the 2004 audit period. The Board's 2004 compliance audit drew attention to potential future environmental impacts, in the absence of timely fulfillment of NSFP's outstanding harvest, road maintenance, and silviculture

obligations, which were not being addressed at that time. As a result, the 2005 audit focused on the fulfillment of these obligations.

The Board's 2005 field audit determined that NSFP did not undertake work in relation to its forestry obligations during the final year of the transition period. However, shortly after the end of the transition period, MOFR responded to NSFP's continuing financial troubles and began its own actions to address this licensee's outstanding forestry obligations. At the time of the Board's field audit, MOFR had initiated actions in relation to road maintenance, road deactivation, bridge maintenance, harvest waste and residue surveys, and forest regeneration surveys. However, the majority of this work was not completed by the end of the Board's field audit and the Board will only be able to assess its effectiveness at mitigating potential environmental impact in spring 2006.

The Nisga'a Enforcement Audit Process

The Board has completed and published two Nisga'a enforcement audit reports, covering the first three years of the transition period. Field work for the final enforcement audit of the transition period also took place in September 2005.

The enforcement audit work, which assesses the appropriateness of the government of British Columbia's enforcement of the Forest Practices Code on Nisga'a lands, is still ongoing. The agencies involved with this audit are the Ministry of Forests and Range and Ministry of Environment. Once the analysis and reviewing process has been completed, the Board will publish its third and final audit report on the government of British Columbia's enforcement of the Forest Practices Code on Nisga'a lands.

Actions Necessary to Produce a Relevant Compliance Audit Report

As the 2005 audit is the final audit for the transition period, the Board believes it is important that the compliance audit report provide some degree of closure on the performance of provincial government agencies, and forest licensees, in addressing the transition provisions of the Agreement over the term of the transition period. Critical to this objective is reporting on whether outstanding forestry obligations have been met by the end of the period, and where obligations have not been met, whether the impact is significant. Key obligations in this respect are NSFP's road and bridge maintenance, road deactivation, and forest regeneration obligations.

Because it will not be possible to assess how effective MOFR's recent and continuing actions have been in mitigating potential environmental impacts until spring 2006, the Board, through consultation and agreement with the Director of Lands and Resources for Nisga'a Lisims Government, has chosen to delay the completion of the field audit until that time. This delay will enable the auditors to assess the results of recent works undertaken by MOFR,

and draw compliance conclusions about the overall state of road networks, bridges, partially-completed logging activities and forest regeneration obligations.

Following completion of field work in spring 2006, the Board will publish the fifth and final compliance audit report of forest planning and practices on Nisga'a Lands.