

Patterson E.A.R.



Patterson Sawmill Ltd. Environmental Review LUP MV2000W0018

Before Patterson Sawmill Ltd. responds to the issue of an environmental review, we must first acknowledge that there is futility in this response. The logging season will be over before a decision has been reached, and our company will be forced to close regardless of the decision. Should we survive, we will not necessarily apply for timber in the same place. There have been threats that trees in Area One will be spiked if we harvest there, or that blockades will be set up, preventing us from logging.

This environmental review has little to do with the environment or with trapping - its sole purpose, rather, is to control timber. The Deninu K'ue Development Corporation of Fort Resolution (DKDC), and the Patterson sawmill are competitors for this timber. Fort Resolution has traditionally Harvested in the Slave River area, while the Pine Point/Little Buffalo area have had no forestry development. It is in that area in which Patterson Sawmill has applied for timber.

Patterson Sawmill is located in Hay River and the timber we have applied for is within a viable harvest perimeter. We had offered the Fort Resolution community a contribution of \$2.00 per cubic metre of our harvest over the duration of five years. If completed as applied for, that amount would have been approximately \$100,000.00. We have also offered \$5,000.00 in compliance with GNWT compensation agreement for trappers.

On November 28, 2000 we received a fax from the DKDC inviting us to a meeting with the Fort Resolution Band Council. The meeting was a confusing one; we believed that we were there to discuss the compensation package with the Band Council, yet we were never afforded that opportunity. Instead, the DKDC, which has no sawmill at this time, used the meeting to indicate their desire to open their own mill. Chief Balsillie appeared to be representing DKDC rather than the Band Council; he chaired the meeting and did all of the talking. Balsillie demanded that we withdraw from Area One, and supported that demand with threats of a blockade and other vague intimidations. He indicated that their opposition to logging Area One stemmed from the concerns of five trappers who worked in that region.

Chief Balsillie then offered us Area Two. Area Two requires extensive development work due to environmental issues, road mapping, etc. Moreover, logging in Area Two would require considerable road construction at a substantial expense. It was implied that this expense was to be borne by Patterson Sawmill, yet the DKDC would ultimately be the principle beneficiary of future logging. The remainder of the meeting centered around re-establishing a DKDC mill. The band counselors had nothing to say, and the discussion of the community benefit package was a private affair with Chief Balsillie. It seemed clear to us that the DKDC wanted the timber from Area One for their own future logging aspirations, not for the five trappers. We came away from that meeting perplexed, but we resolved to continue with our application. Subsequent to this, a Fort Resolution town meeting was held and Balsillie outlined a plan to have Patterson Sawmill build a road to the timber which would eventually allow access to timber for the re-established Fort Resolution sawmill. We believe that this may have been a scheme to garner benefits for the DKDC. The DKDC would claim the development in Area One and have access, via the road built by Patterson Sawmill, to the timber in Area Two.

What are the merits of this request for an environmental review? There simply are none. The access to Area One is an existing cut-line four kilometres long. The timber is on high, well-drained ground and it is mature stand that should indeed be harvested. Rodents will thrive in the protection of the harvest residue which will, in turn, attract fur bearing animals, while new shoots will draw moose to the area. There is no evidence that suggests there will be a loss of trapping in Area One should we proceed with the harvest. Compare this to Area Two, where Fort Resolution would have us harvest timber. The relocation to this spot makes no sense environmentally, for there are no cut-lines to follow and the distance is 24 kilometres from the highway. The environmental damage from building a 24 kilometre road would be far more detrimental than following a four kilometre cut-line. In addition, the timber of Area Two is surrounded with wetlands; there is a river and a creek, and several small lakes.

It should also be noted that environmental and trapping concerns didn't seem important during previous harvests by Fort Resolution sawmills. Harvesting timber takes place all over Canada and the local governments adequately manage those forests affected. NWT forest regulations address environment and trapping adequately and Forestry inspectors are in attendance throughout the harvest. See Appendix One for GNWT Forest Regulations.

1. The environmental assessment method includes air photos, intensive field work, boundary marks, wildlife corridors, marked roads, etc.
2. Wildlife outside the harvest are not affected. Tracks of fox, wolves and coyotes are common inside the harvest area in relief of deep snow. Trappers and hunters working inside the logging area often harvest wildlife.
3. Site closure, depending on terms and conditions, may create rodent sanctuary.
4. I have logged in the NWT for 37 years. Trappers continue to harvest in logged-over land. Wildlife corridors and non merchantable forest land provide sufficient cover for wildlife. Lowlands wetlands, and creeks all have buffers for wildlife and blocks of timber are limited in size, with buffers between them. Also, lines of site are limited to 400 metres. These precautions allow wildlife to endure.
5. It should also be noted that harvesting timber is somewhat like wildfire. It is a new beginning, which allows for another harvest in approximately 80 years. While wildfire reduce the frequency of other wildfires, they do not generally accommodate trapping or logging.
6. Logging as is practiced today in the NWT has little effect on the long term wildlife harvest. Our harvest in the Pine Point/Little Buffalo area would use no more that 0.008% of the land mass. Clear-cutting and/or selective harvests are decisions made by Forestry for regeneration purposes, and we comply with those decisions.
7. The only vegetation loss is the harvested trees, and several methods are used for regeneration: scar-fired land with seed trees, clear cut with planting, selective cutting do nothing more, overall only a percent is treated. Grasses are re-seeded as specified by inspectors.
8. Logging residue left on the land enhances rodent habitat. Larger animals are not affected.
9. The volume of wildlife harvesting would be unaffected by our operation. 400 metres is the maximum distance from vegetation cover to cover, and trapping may require a very slight relocation.

10. Harvesting is a winter time operation so fire hazard is non-existent. Spills are minimal since only small amounts of fuel are present at any time.
11. Timber harvesters pay a fee for reforestation and Forest Management decides how to use the fee.
12. Initial agreements with the First Nations were successful, so the subsequent demands by the DKDC are unacceptable. This has resulted in this groundless environmental impact review.

Chronological events leading to the environmental review

Patterson Sawmill has, for 37 years, logged along the Hay River and in the Cameron Hills. This area has recently become unavailable, due to over-harvesting as established by extensive Forest Management field work. In order to continue, we had to find a new supply of timber and the area between Buffalo and Little Buffalo River had no previous forest development. RWED encouraged us to complete an application for this timber, and, farther to the east, the Fort Resolution sawmill maintained forestry development in the Slave River timberland.

Patterson had, for some time, wanted a logging contractor. So on May 18, 2000, we contacted Grant Giroux of Fort Resolution to offer a joint venture logging operation between his company and ours. Subsequently a search for timber was made, and, with the help of air photos and air reconnaissance, the timber was located. Giroux was to conduct liaison with the community of Fort Resolution. He met with Chief Dan Balsillie, who opposed the idea of the joint venture Patterson Sawmill. If a joint venture was to be formed, it would be with DKDC. Giroux arranged a meeting for us with Chief Balsillie on June 20, 2000. At that meeting, we outlined the benefits to the community that would come with the benefits package. Balsillie had no objection and was very cordial; however, the joint venture was not discussed. The following day a letter was forwarded to Chief Balsillie which outlined the benefits to the community, and still no opposition was forthcoming. The application for timber and land use were submitted on both July 4th and July 11th respectively.

Patterson Sawmill received a letter dated November 9, 2000 which stated that the timber application was put on hold due to environmental and public concerns. Subsequent to this, we received a call from Chief Balsillie indicating that he had arranged an agreement with RWED to give our application a one year harvest, after which we were to return to the Cameron Hills. We received a letter on December 1, 2000 from Forest Management that seemed to confirm this agreement; however, the conditions were neither viable nor acceptable. It was far too costly. Under the new agreement, we would be required to abandon the already completed layout work, and undergo extensive road building. Most important, however, the new agreement did not identify the timber we would be allowed to harvest.

Our Concerns

- The Patterson sawmill will be forced to close this year, regardless of the decision, by this environmental review. All of our employees will lose their jobs and the lumber haulers, log truck drivers, skidder operators, and firewood operators will lose their contracts.
- Our sawmill, depending on the lumber market, produces \$700,000.00 revenue, therefore the economic activity generated from only 60 hectares of land would be several times \$700,000.00.
- Patterson Sawmill has complied with the requirements made by Forest Management to work in Area One, and therefore has the right to harvest that timber. The area of harvest is between Buffalo River and Little Buffalo River, which is land in excess of 25,000 hectares. We require only 60 of those hectares, and so we ask, how can this impact the trapping?
- Fort Resolution would have Patterson Sawmill build a road and harvest in Area Two. This process would be more costly, affect a greater area of land, and would be more detrimental to the environment than harvesting along an established cut-line. How are we to accommodate this obvious contradiction?

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- How is it that we are a threat to the environment yet Fort Resolution's past and future logging operations are not?

Finally it is clear that a formula has been established to stop Patterson or other operators in future years. When Patterson's or others are ready to start logging, DKDC or the Town Council simply request an environmental review, that would work year after year for those they oppose

Eugene Patterson

January 17th, 2001

Patterson Sawmill Ltd.
60 Patterson Road
Hay River, NT X0E 0R4
Tel: (867) 874-6814
Fax: (867) 874-6902

COPY

Hon. Robert Nault, Minister
DIAND
Terrasses de la Chaudiere
10 Wellington Street
Ottawa, Ontario K1A 0H4

Dear Mr. Nault,

Re: Stop Work Order MVLWB – Land Use Permit MV2000W0018

For the past 37 years, our sawmill has harvested timber from Crown owned land in the South Slave. Unfortunately, we have consistently encountered some level of opposition from Aboriginal groups in the area. The basis for their opposition has been, firstly, that they own the land, and secondly that the harvesting of timber interferes with hunting and trapping. Fortunately in the past, the positive economic activity and the many jobs created (we have consistently employed Aboriginal people from the area) have prevailed, and our timber harvest permits were granted. Not only were permits granted for our operation, but for the Aboriginal operated sawmills in the area as well. It should be noted that the permits for logging by Aboriginal organizations have traditionally been unopposed.

The problem that now exists is that, after the required consultation process was undertaken and completed and the Land Use Permit was issued, we have been issued a stop work order. The MVLWB has advised that it will undertake an investigation, with no definitive timeline identified for completion. Indefinite timeframes for investigations and reviews are unacceptable to the private sector as we cannot afford the ongoing cost of awaiting the outcomes.

This action is in response to a request for an environmental review from the Deninu K'ue First Nation. I am very dismayed that this was accepted because any complaint or request for a review should have been made during the time of consultation as provided for in the legislation. The Deninu K'ue First Nation had opportunity to provide their opinion during the consultations and did not. Instead, they have chosen to intervene at the 11th hour, in what I perceive to be a political maneuver intended to halt Patterson Sawmill from harvesting. The request for

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this review came the day before a Timber Cutting Permit was to be issued, some six months after our application was sent for community consultation.

I am very concerned that this is a deliberate manipulation of the environmental review process by a specific group as a means of furthering their economic interests. Fort Resolution sawmill interests (Deninu K'ue Development Corporation) oppose harvesting in a chosen area (area1) and are in favour of harvesting in an area of their choice (area 2), with existing environmental and trapping issues. I believe this is because harvesting in area 2 would require extensive road construction by Patterson, for which Deninu K'ue would ultimately become the principal beneficiary. Doing so is too costly for us and ultimately prevents us from accessing any timber. The MVLWB has now become involved as a vehicle through which these interests can be advanced and I am concerned that they are proceeding without a hearing to determine the true purpose of this environmental assessment request.

This stop work order will have serious consequences. Quite simply, without logs harvested this winter, we will be unable to saw in the summer, which in turn will put our company out of business. The closure of our mill will mean the loss of jobs for all of our employees. As owners, a lifetime of building a business will be lost and a considerable amount of assets will disappear, devalued by this process.

The end result will be that the Northwest Territories will lose its last operating sawmill and all of the economic activity and employment opportunities that go along with this operation.

I am angry and frustrated that the Federal Government would allow this kind of economic destruction which clearly is not part of DIAND's northern development mandate. I am also extremely disappointed with the Federal Government's circumvention of the Government of the Northwest Territories' right to grant timber harvesting permits.

Therefore, I am requesting that you undertake an immediate review of the legal and political nature of this request for an environmental assessment and consider the broad implications and precedents of proceeding with it. I also request that you direct that the stop work order be removed and that the necessary permits to proceed with logging be upheld.

Yours truly,

A handwritten signature in black ink, appearing to read "Eugene Patterson", with a long horizontal flourish extending to the right.

Eugene Patterson

DENINOO COMMUNITY COUNCIL

PHONE 394-4555
FORT RESOLUTION, N.W.T.
X08 0M0

December 19, 2000

Gordon Lennie, Chairman
MacKenzie Valley Environmental Impact Review Board
Box 938
5102 -50th Avenue, Yellowknife, NT

RE: PERMIT ISSUED TO PATTERNSON'S SAWMILL TO HARVEST SAWLOGS

Dear Mr. Lennie:

The Deninoo Community Council is requesting an environmental assessment and impact review to look at the permit issued to Patterson's Sawmill Ltd. to harvest sawlogs in the Pine Point area. This review will focus on the wildlife and the vegetation in the area. Our community members have expressed concerns that the animals they harvest may not come back to this proposed cutting area for many years to follow. Who will compensate the local Trappers and Harvesters for this length of time.

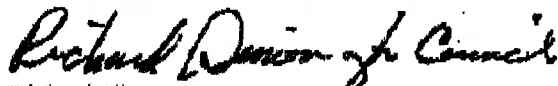
Fort Resolution Community Council is supportive that no development of this nature take place until such time that our community has a Integrated Resource Management Plan (IRMP) as it relates to the renewable resources within our planning area.

The Deninoo Kae First Nation, the Fort Resolution Environmental Working Committee, the Aboriginal Wildlife Harvesters Committee, along with trappers in the area have met with Mr. Patterson to discuss an alternate site and a compromise was accepted by all parties involved. But Mr. Patterson has now changed his mind and wants to harvest timber in the Pine Point area. We feel that this area has gone through enough impact from the Pine Point Operation.

The Deninoo Community Council feels that this area has gone through enough impact from the Pine Point Operation as well as past exploration activities in this location. If this environmental impact review can clearly state that this timber operation will not adversely affect the area, then and only then, could we consider supporting a logging operation in this location.

You may call me at 1-867-394-4556 (Business) or 1-867-394-3003 (Home).

Sincerely,



Richard Simon, Mayor Fort Resolution, NWT

FAXED



Northwest
Territories Resources, Wildlife and Economic Development

DEC 13 2000

Chief Don Balsillie
Deninu Ku'e First Nations
PO BOX 1899
FORT RESOLUTION NT X0E 0M0

Dear Chief Balsillie:

Application for Timber Cutting Licence

We have completed the preliminary screening for the Forest Management Application FA 001828, Patterson Sawmill Ltd., as we are required to do under the *Mackenzie Valley Resources Management Act*.

We believe that the concerns raised during this preliminary screening will be mitigated through the Terms and Conditions of the Timber Cutting Authorization. Therefore, as required under the *Forest Management Act*, we will be issuing Timber Cutting Authorization for 10,000 cubic metres of white spruce sawlogs from Area I identified in the application. The authorizations will expire April 30, 2001. Future harvest applications for the area will be subject to careful review to ensure concerns are addressed and that activities meet the principles of sustainable forest management.

We look forward to discussing options for re-establishing community logging and sawmilling enterprises.

Sincerely,

Robert McLeod
Deputy Minister

✓

Mr. Daniel Patterson,
Patterson Sawmill Ltd.
Hay River





Northwest
Territories Resources, Wildlife and Economic Development

DEC 12 2000

Chief Don Balsillie
Deninu K'ue First Nations
PO BOX 1899
FORT RESOLUTION NT X0E 0M0

Dear Chief Balsillie:

Application for a Timber Cutting Licence

There have been recent meetings and discussions with both parties on this issue over the past two weeks. It is our understanding since our letter dated December 1, 2000 to Mr. Daniel Patterson that Area 2 has been identified as uneconomical for the company. Further, we understand that Patterson Sawmill Ltd. has continued to offer compensation to both the Band and the affected trappers in Area 1. The company has also offered to amend their timber cutting authorization and Land Use Permit to include the amount of timber needed for your mill from this years logging season. Mr. Eugene Patterson also offered his expertise to the community to help re-establish logging and milling enterprises in Fort Resolution.

We would also like to advise you that our earlier offer of assistance in re-establishing community logging and sawmilling enterprises can be available for the community should it be required. We look forward to discussions with you on the re-establishment of logging and milling enterprises in your community.

Sincerely,

Robert McLeod
Deputy Minister

✓ c. Mr. Daniel Patterson
Patterson Sawmill Ltd.
Hay River





Northwest Territories Resources, Wildlife and Economic Development

FAXED

Mr. Daniel Patterson
President
Patterson Sawmill Ltd.
60 PATTERSON ROAD
HAY RIVER NT X0E 0R4

DEC 01 2000

Application for Timber Cutting Licence

The Department of Resources, Wildlife and Economic Development is in the process of reviewing your application for a timber cutting licence.

As you are aware, under the *Mackenzie Valley Resources Management Act*, the Department is required to conduct a preliminary screening of any application for a timber cutting licence. As part of this screening, the Department is required to conduct consultations with the public and affected First Nations. As such community support is a primary consideration for the Department when reviewing applications for timber cutting authorizations under the *Forest Management Act*.

The Deninoo Kue First Nation is currently developing a comprehensive proposal with respect to timber harvesting and milling. From discussions with both yourself and the Deninoo Kue First Nation of Fort Resolution, it is our understanding that the community may be prepared to support your application provided the following conditions be met:

1. A one year authorization be issued which would be limited to a harvest of 10,000 m³ of white spruce from the west side of area 2, to be harvested prior to March 31, 2001;
2. Harvest program to address the impact benefits for community as outlined in your proposal dated June 21, 2000.

Further consideration of this application is contingent upon provision of evidence that these concerns have been adequately addressed, such as an agreement with the community of Fort Resolution, as outlined in your proposal dated June 21, 2000, or other indication of community support for the proposed project.

Sincerely,

Robert McLeod
Deputy Minister

- c. Chief Don Balsillie
Deninoo Kue First Nation

Government of the Northwest Territories, Yellowknife, NT Canada X1A 2L9



PATTERSON SAWMILL LTD.
160 PATTERSON ROAD
HAY RIVER, N.W.T. XOE OR4

PHONE (867)874-6814 FAX (867)874-6902

June 21, 2000

Don Basillie, Chief
Deninu Ku'e First Nations
Fort Resolution, N.T. XOE OMO

COPY

Dear Don,

Further to our meeting with you on June 20, 2000.

We will be applying for timber in the area between Buffalo River and Little Buffalo River. Your support for this application would be appreciated.

In return for your support, benefits to your community will be.

1. A donation of Two (\$2.00) dollars per cubic meter of timber harvested in the area. This will be made payable to the Deninu Ku'e First Nations. This donation may be used for the good of the community. It will require no investment or delivery of services by the Deninu Ku'e First Nations, other than your support for the project.

This donation will be payable May 15 of each year for timber harvested in the 12 previous months; previous to May 15.

Obligation for this donation (if necessary) can be by contract or terms and conditions of the timber permits or licence.

2. Patterson Sawmill will negotiate falling, skidding etc. with Fort Resolution companies whenever possible.

3. Patterson Sawmill will hire Fort Resolution workers for available jobs in logging and sawmilling, excluding jobs held by Patterson Family members.

Sincerely,

Daniel Patterson,
President

Deninu K'ue Development Corporation Limited,
Post Office Box 1899,
Fort Resolution, NT, X0E 0M0
Telephone: (867) 394-5402
Fax (867) 394-5122

November 28th, 2000

Patterson Sawmill Limited,
60 Patterson Road,
Hay River, NT, X0E 0R4
Telephone: (867) 874-6814
Fax: (867) 874-6902

FILE COPY

To: Gene Patterson

Re: Forest Management Application FA001828

The Band Council would like to meet with you on Monday, December 4th, 2000 at 1:00 p.m. Here in Fort Resolution, at the **Office Complex Board Room**, to discuss your application for timber in the Pine Point/Little Buffalo area.

Please call, and confirm your attendance by calling (867) 394-5402.

Yours Sincerely,



Don Balsillie,
President, DKDC

*Called to verify
Attendance
11:45 AM
Nov 29-00*

PATTERSON SAWMILL LTD.
60 PATTERSON ROAD
HAY RIVER, N.W.T. XOE OR4

Phone (867)874 6814 FAX (867)874-6902

FAX TRANSMITTAL

DATE: Nov 16 , 2000

TO: Chief Don Balsillie
Fort Resolution, NT

FROM: Gene Patterson pages including cover

Re: Forest Management Application FA001828

Mr Paul Johnson indicates you would like a further meeting concerning our application for timber in the Pine Point/ Little Buffalo area.

Please indicate by return fax, at your earliest convenience, a time and place for the meeting. We prefer an evening or weekend meeting.

Thank you,

Eugene Patterson

cc Paul Johnson,
Manager, Forests
South Slave Region



Resources, Wildlife and Economic Development

NOV 09 2000

Mr. Eugene Patterson
Patterson Sawmill Ltd.
60 PATTERSON ROAD
HAY RIVER NT X0E 0R4

Dear Mr. Patterson:

Forest Management Application FA 001828
Timber Cutting Licence Pine Point Area

We are in receipt of your application for a Timber Cutting Licence dated July 4, 2000, and considered complete in accordance with the requirements of the *Forest Management Regulations* on September 25th, 2000.

During the consultation and review process instituted in respect of this application, environmental and public concerns were raised in regards to the location of the proposed harvest, and community interests in that area. Further, concerns have been raised in regard to the sustainable harvest level in the area.

Pursuant to Section 5.(1)(d) of the *Forest Management Regulations*, I have ordered further study to be undertaken to determine the nature of these matters, and to determine what measures, if any, would be suitable to satisfy environmental and public concerns with respect to this licence.

Further, please be advised that within one year of the date of this letter, I will provide you with the outcome of the above studies, and provide a reply to your application for a Timber Cutting Licence in accordance with the requirements of Section 5. (2.1) of the *Forest Management Regulations*.

Should you have questions or concerns, kindly feel free to contact Mr. Lloyd Jones, Superintendent, South Slave Region in Fort Smith (867-872-6400).

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Thank you for your patience.

Sincerely,

A handwritten signature in black ink, appearing to read 'R.P. Bailey', with a stylized, cursive script.

R.P. Bailey
Forest Management Supervisor
Assistant Deputy Minister, Operations

c: Mr. Lloyd Jones
Superintendent, South Slave

Mr. William Mawdsley
A/Director, Forest Management



Northwest
Territories

Minister of Resources, Wildlife and Economic Development

11.01.00
FAXED

NOV 01 2000

MR. ROBERT MCLEOD
DEPUTY MINISTER
RESOURCES, WILDLIFE AND ECONOMIC DEVELOPMENT

**Report of the Advisor on the Appeal of Patterson Sawmill Ltd.
Against a Decision of the Forest Management Supervisor**

Mr. John Donihee, the Advisor appointed to hear the appeal of Patterson Sawmill Ltd. has provided me with his report of findings and recommendations respecting the appeal.

I have reviewed and considered the report, the recommendations, and the reasons for the recommendations.

The Advisor, in his report, found that the available timber in the area of the application was less than that applied for. The Forest Management Supervisor refused the application citing a reason that there was insufficient timber available on a sustainable basis to support the application. The Advisor has recommended that the appeal be dismissed. Accordingly, pursuant to Section 28(1)(a) of the *Forest Management Act*, I am confirming the decision of the Forest Management Supervisor to refuse to issue a Timber Cutting Licence to Patterson Sawmill Ltd. as applied for under Forest Management Application FA001185.

Secondly, the Advisor has recommended that the Department of Resources, Wildlife and Economic Development (RWED) review and clarify its policy and position with respect to Section 9 of the *Forest Management Regulations* in collaboration with timber operators in the Northwest Territories. On the basis of the review of the report and its conclusions, I concur with the Advisor and confirm this recommendation as modified below. Kindly ensure that the necessary legal reviews, amendments to legislation, and policy discussions are undertaken to clarify the interpretation and application of Section 9 of the *Forest Management Regulations* in consultation with First Nations governments, the general public and timber operators. This work maybe undertaken during the planned review of the *Forest Management Act* and Regulations.

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Thirdly, the Advisor has recommended that the Department take immediate steps to investigate the possibility of developing a consensual process involving both Lichtner and Patterson Sawmill for the equitable allocation of timber resources in the Cameron Hills Area.

The Government of the Northwest Territories (GNWT) and the Department have committed to working with First Nations in management of resources and supporting their interests in resources in their traditional areas. In addition, the disposition of any subsequent authorization to Lichtner Forest Industries in the Cameron Hills has yet to be determined. Accordingly, this recommendation is rejected.

Finally, the Advisor recommends that the Forest Management Supervisor continue to provide priority consideration for Timber Cutting Permit applications for Patterson Sawmill Ltd. I am prepared to accept the spirit of this recommendation. Accordingly, kindly continue to afford Patterson Sawmill Ltd. assistance and support in securing Timber Cutting Permits while issues of long term supply are dealt with.

Thank you for your attention to these matters.

* Original Signed By
JOSEPH L. HANDLEY

Joseph L. Handley

c: Mr. Eugene Patterson
President
Patterson Sawmill Ltd.

Mr. Robert Bailey, Assistant Deputy Minister
Forest Management Supervisor



Northwest
Territories

Minister of Resources, Wildlife and Economic Development

RECEIVED
11-01-00

NOV 01 2000

Mr. Eugene Patterson
Patterson Sawmill Ltd.
60 PATTERSON ROAD
HAY RIVER NT X0E 0R4

Dear Mr. Patterson:

Patterson Sawmill Timber Supply Problem

Thank you for your letter of September 18, 2000 advising me of your company's concerns.

Consideration of an allocation of timber in the Cameron Hills is taking place and involves consideration of advice from Mr. Donihee from your appeal, results from the Lichtner Forest Products hearing and the concerns of First Nations. A decision will be reached in November after all written submissions have been received from the recently held Lichtner hearing.

I am advised that my Department staff are continuing to work with you on your application for timber in the Pine Point area. As suggested by the Advisor in the recent appeal, my Department staff will continue to give priority consideration to applications from your company for harvest authorisations. My Department is obliged, however, to observe the requirements of the *Forest Management Act* and the *Mackenzie Valley Resources Management Act* for consultation and review of applications. I assure you that my Department's responsibilities will be expedited as much as possible.

You have requested relief on the timber fee. In order to consider this request, we will require a formal proposal from your company outlining what relief you are requesting supported by full documentation of the nature of the hardship your company is experiencing which would warrant such a measure.

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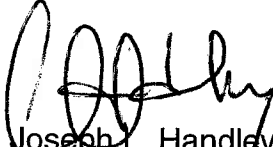
On the matter of the planned lumber deduction, my Department staff advise me that they have requested supporting documents from your company validating your claim. I have asked my staff to advise you what documents are required, and to process your request in a timely manner on receipt of the documents.

I also understand you asked Mr. Bailey to see if any relief is possible from fuel taxes as the price of fuel has increased dramatically. We are looking into this matter.

You have requested a revival of the Forestry Working Group to deal with forest management issues. You may wish to become involved in two initiatives that my Department will be undertaking in the near future, discussions on a forest policy for the Northwest Territories, and a review and revision of the *Forest Management Act and Regulations*. We expect to have a policy and legislation package which reflects the interests of industry, public, and First Nations in the management of northern resources.

Should you wish to discuss these matters further, please feel free to contact my Department.

Sincerely,



Joseph L. Handley

PATTERSON SAWMILL LTD.
60 PATTERSON ROAD
HAY RIVER, N.W.T. XOE OR4

PHONE (867) 874-6814 FAX (867) 874-6902

COPY

October 2, 2000

R.P. (Bob) Bailey,
Forest Management Supervisor
Resource, Wildlife & Economic Development
Government of the Northwest Territories
Yellowknife, N.T. X1A 2L9

Dear Mr. Bailey:

Re: Appeal Decision FA001185

Please be reminded that the Ministers decision with respect to our appeal is due
(Forest Management Act 25 (2)).

I also remind you that the logging season is only 6 weeks away. This year we must start on time,
since our Land Use in the Cameron Hills expires February 4, 2001.

I do not know what surprises await us. However I do know that most of the timber applied for under
FA001185, has been harvested. I would appreciate knowing how the department intends to proceed.

As I understand the Advisors recommendation, it gave us an Equitable portion of this timber.

A timely reply would be appreciated.

Sincerely,


Eugene Patterson

cc Jane Groenewegen,
Minister of Health

PATTERSDON SAWMILL LTD.
60 PATTERSON ROAD
HAY RIVER, N.W.T. XOE OR4

PHONE (867)874-6814 FAX (867)874-6902

Sept 18, 2000

The Honourable Joe Handley,
Minister Resources, Wildlife & Economic Development
Government of the Northwest Territories
Yellowknife, N.T. X1A 2L9

Dear Sir:

Re: Patterson Sawmill timber supply problem

We need an equitable portion of the Cameron Hills timber, as recommended by both John Bayly and John Donihee, on two separate appeals. We qualify for this since we held a licence before Lichtners operation started. Secondly the Lichtner licence is an aspen licence with limited spruce. We do not object to the renewal of that type of licence.

We request that you honour application FA001185 for the equitable portion, whatever it may be. This portion would be harvested every other year and not exceed 12,000 cubic meter per harvest (equal to 6000 cubic meters per year). We have a Land use for the Cameron Hills in place good till February 5, 2001.

Providing that FA001828 Timber application is approved, we would supplement the Cameron Hills harvest with a harvest near Pine Point/Little Buffalo, alternately every other year. Pine Point has limited timber also. In this event we would need approval for a second licence or possibly consolidation of the Cameron Hills and Pine Point applications.

We would also like relief on the timber fee. Lumber is selling at \$198/220 U.S. less than half the price of a year ago. Also please rescind the over charge on our last years fee, when we were denied Planed lumber deduction (Schedule B Forest Regulation 1 (iv) (B)).

Last we would like you to consider a revival of the Forestry Working group to deal with problems of Government, Public, and operators. This group would give advice on environmental restrictions, fees, amendments and much more.

Sincerely,


Eugene Patterson

cc. Jane Groenewegen, Minister of Health

TIMBER CUTTING PERMIT #TP001577
Paterson Sawmill Ltd.,
Cameron Hills; Mapsheet 85C025: Stands:
447,419,413,374,379,368,345,309,299,230,224
1999-2000 OPERATING PLAN
Appendix 1: Harvesting Techniques

In some stands proposed for harvest a large portion of the stems consist of merchantable, healthy immature White Spruce. Once the canopy is removed, the White Spruce understory must be protected from wind damage. Wind damage is a major risk to the newly exposed understory for two reasons;

- 1) White Spruce understory trees may have a poor wind stability due to their tree morphology having formed under the canopy; crown size slenderness coefficient, and size of root system.
- 2) White Spruce understory trees may lack necessary support mechanisms such as strengthening of the lateral roots.

In the Glossary of Forestry Terms published by Forestry Canada in 1993, understory is defined as "That portion of the trees or other vegetation in a forest stand below the main canopy level."

Harvesting Techniques.

In the Operating Plan application submitted by the permittee the following general harvest provision shall be undertaken.

Understory Protection - Harvesting:

- Modified operating techniques are required during the harvesting activities to minimise the damage to understory stems. The use of choker skidders is required to allow selective removal of merchantable stems while leaving the smaller growth undisturbed. We would also restrict falling to the use of chainsaws. Fellers or feller/bunchers cause too much residual damage; being suitable mainly to clear-cut operations.
- Designated skid trails shall not exceed 7 metres in width and should be established a minimum of 14 metres apart.
- All White Spruce 17 cm or larger at DBH shall be harvested from the harvest area
- Harvest blocks shall be limited to an average of 15 hectares in size with no blocks larger than 20 hectares.
- All harvest blocks shall have a maximum sight distance of 400 metres.
- Wildlife corridors will be established where so directed by the Forest Management Officer.
- Wildlife corridors will be established between harvest blocks and will be a minimum of 100 metres in width.
- All advanced growth and regeneration within a harvest block will be protected from unnecessary damage. Identifiable stands of such areas shall not be entered.

**TERMS AND CONDITIONS
INCLUDED IN AND FORMING PART OF
TIMBER CUTTING PERMIT #TP001576**

The following terms and conditions are included in Timber Cutting Permit #TP001576 pursuant to Section 36.1 (1) of the *Forest Management Regulations*, issued to Daniel E. Patterson at Hay River, NWT.

Location and Area

1. The Timber Cutting Permit Holder, herein after referred to as the Permit Holder, shall harvest timber only in the Cameron Hills N.W.T. at the following stand locations:

Mapsheet 85C015 – stands 98,121,131,123,236,273,288

Mapsheet 85C016 – stands 155, 166, 187

Time

2. The Permit Holder will advise the Forest Management Officer (herein after called an Officer) at the Department of Resources, Wildlife and Economic Development office in Hay River NT, 867-874-6702, 24 (twenty-four) hours in advance of the start of timber operations.
3. The Permit Holder shall not commence harvesting in a stand until the Pre-harvest Surveys and block layouts have been completed for that stand. The Permit Holder will notify the Superintendent, or his representative, South Slave Region, Department of Resources, Wildlife and Economic Development upon completion of this work. This information will be submitted 48 (forty-eight) hours prior to any commencement of operations within that stand.
4. The Permit Holder shall in a progressive manner, and, within three months of the expiration of this permit, remove, demolish, or otherwise dispose of, in a manner satisfactory to the Forest Management Supervisor;
 - a. All buildings or structures and equipment constructed or brought to the permit area under the authority of this permit.
 - b. All debris resulting from cutting and removal of timber.
 - c. All timber harvested under this permit.

Terms and Conditions Included in and Forming Part of Timber Cutting Permit #TP001576

December 24, 1999


Initial

Page 1 of 6

Operating Plan

5. a. The Permit Holder shall carry out his timber operation in accordance with the approved Operating Plan.
- b. In addition to the terms and conditions of the Timber Cutting Permit, the Permit Holder will abide by terms and conditions of the approved Operating Plan.

Machinery and Equipment

6. a. All machinery and equipment associated with this operation shall be confined to those routes or areas designated in an approved Operating Plan.
 - b. Should deviation from an approved Operating Plan be required while conducting this operation, the operator must obtain approval in writing prior to implementation of any change.
 - c. The Permit Holder shall not establish any additional facilities within the Permit area without prior written approval.
7. The Permit Holder will use only the equipment specified in an approved Operating Plan.

Access Roads, Skid Trails and Landings

8. a) The Permit Holder shall use existing roads, trails and seismic lines as access routes where directed to do so by an Officer.
 - b) The Permit Holder shall not construct any road greater than ten (10) metres in width, unless otherwise approved by an Officer.
9. The Permit Holder shall not construct skid trails greater than seven (7) metres in width.
 10. The Permit Holder shall not clear or construct landings greater than 0.4 hectares in size including the area required for debris and overburden piles.
 11. The Permit Holder shall restore landings in a manner to ensure that between two and five centimetres of humus remains atop the mineral soil, following completion of timber transport, except around piles to be burned as per Section 22.

Terms and Conditions Included in and Forming Part of Timber Cutting Permit #TP001576

December 24, 1999


Initial

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12. The Permit Holder will not construct more than three (3) landings for every twenty (20) hectares of harvest block.

Timber Harvesting Standards


13. The Permit Holder will carry out harvesting in accordance with the pre-harvest silvicultural prescriptions specified and approved for the harvest blocks in the approved Operating Plan.
14. The Permit Holder shall not leave any stump higher than 30 centimetres (12 inches) above the average ground level, and harvest and utilise all timber to a maximum top diameter of ten centimetres (four inches), or such other dimension specified in an approved Operating Plan.
15. The Permit Holder shall carry out timber harvesting in a progressive manner, and no merchantable timber shall be left behind during the harvesting operations; except as directed in writing by an Officer.
16. Where timber is left, which, in the opinion of an Officer should have been cut, the Officer may require the Permit Holder to return and harvest such trees before cutting any other trees.

Brush and Debris Disposal

17.
 - a. Unless otherwise stated in an approved Operating Plan the Permit Holder shall as rapidly as the cutting operation progresses remove all limbs from the trees which are felled.
 - b. All tops and limbs shall be removed within the designated cut block, before the log is removed to the landing.
 - c. The tops and unused parts of harvested trees shall be lopped and scattered, and made to lie flat on the ground in a manner satisfactory to an Officer.
18. The Permit Holder shall fell and remove all leaner trees and debris from residual timber stands, as directed by an Officer.
19. Where an Officer is of the opinion that refuse or debris on the permit area is excessive, the Officer may order the Permit Holder to take what ever action the Officer deems necessary to eliminate the problem, in such time as the Officer deems necessary.

Terms and Conditions Included in and Forming Part of Timber Cutting Permit #TP001576

December 24, 1999


Initial

Page 3 of 6

20. a. The permittee shall burn all combustible garbage and debris in a container acceptable to an Officer.
- b. The Permit Holder shall keep all garbage and debris in a covered metal container until disposed of.
21. The Permit Holder shall dispose of all debris at landings by burning or as specified in the approved Operating Plan.

Prevention and Control of Forest Fires

22. The Permit Holder shall not commence or continue any activities under this Timber Cutting Permit during the Closed Season, until a Plan for the Prevention and Control of Forest Fires has been submitted and approved.
23. The Permit Holder shall implement the approved Plan for the Prevention and Control of Forest Fires, prior to commencing any activities under this permit during the Closed Season
24. The Permit Holder will maintain a three metre fire guard to mineral soil around all debris piles which are to be burned.
25. No debris will be spread within three metres of the edge of any clearings or cut block.
26. The Permit Holder shall supervise all fires until such time as the fire is out.
27. Spark arrestors are required on all chainsaws, chimneys, engines and incinerators in use during the Closed Season.
28. No burning shall take place during the Closed Season unless the Permit Holder has obtained a Permit To Burn.
29. During the Closed Season, all fires shall be reported to the area office of the Department of Resources, Wildlife and Economic Development Hay River NWT, 867-874-6702, or to the Department of Resources, Wildlife and Economic Development Forest Fire Centre at 1-800-661-0800.

Terms and Conditions Included in and Forming Part of Timber Cutting Permit #TP001576

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Initial

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Protection of Wildlife, Fisheries, Recreational, Aesthetic, Ecological Values

30. The Permit Holder shall take measures to ensure protection of Wildlife, Fisheries, Recreational, Aesthetic, Ecological Values, as specified in terms and conditions included in the approved Operating Plan, or as specified by an Officer.

Damage to Residual Stands

31. The Permit Holder shall avoid causing excessive damage, as determined by an Officer, to residual stands of timber.
32. The Permit Holder shall limit the number of access roads or trails avoiding excessive damage to residual stands.
33. The Permit Holder shall limit the transporting of equipment to access roads and trails only.

Petroleum Fuel Storage

34. The Permit Holder shall not allow petroleum products to spread to surrounding lands or into water bodies
35. All spills shall be reported immediately to the 24-hour spill line at (403) 920-8130.

Timber Scaling

36. All timber cut and harvested shall be measured at the Permit Holder's expense by a timber scaler licensed in the Northwest Territories.
37. All timber shall be scaled in accordance with the approved Scaling Manual of the Northwest Territories, and in accordance with a signed Scaling Agreement between the Department of Resources, Wildlife, & Economic Development, Government of the Northwest Territories and the Permit Holder.
38. All timber harvested shall be scaled within one month of harvest, and, at minimum, when the timber harvested is removed from the harvest site.
40. a. The Permit Holder shall furnish the Department with a scaling summary in a form acceptable to the Department, showing volumes of timber scaled and transported during each month.

Terms and Conditions Included in and Forming Part of Timber Cutting Permit #TP001576

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- b. The Permit Holder shall submit the scaling summary every month during the term of the Permit and shall be submitted to the Forest Management Officer at the Department of Resources, Wildlife and Economic Development in Hay River by the tenth day of the month following the month for which it is due.

Letter of Clearance

41. The obligations of the Permit Holder with respect to this operation do not cease until the Permit Holder is in possession of a letter of clearance from the Forest Management Supervisor.
42. Nothing in these Terms and Conditions precludes the Permit Holder from obligations under the Territorial Lands Act and other applicable Federal and Territorial Legislation.

Matters Not Inconsistent With The Regulations

43. The Permit Holder shall process all timber harvested within twelve (12) months of the harvest of the timber.
44. The Renewable Resource Compensation Policy(GNWT # 51.01) of the Government of the Northwest Territories will apply in its entirety.


The foregoing terms and conditions included and forming part of Timber Cutting Permit **TP001576** pursuant to Section 36.1(1) of the *Forest Management Regulations*, have been read and understood.



Timber Cutting Permit Holder

28/12/99
Date

These terms and conditions are included and form part of Timber Cutting Permit **TP001576** pursuant to Section 36.1 (1) of the *Forest Management Regulations*.



Forest Management Supervisor

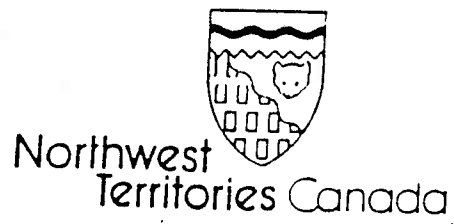
28/12/99
Date

Terms and Conditions Included in and Forming Part of Timber Cutting Permit **#TP001576**

December 24, 1999


Initial

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CONSOLIDATION OF REGULATION R.R.N.W.T. 1990, c. F-14 *FOREST
MANAGEMENT REGULATIONS*, (Dated 15 July 1992)

AS AMENDED BY: R-099-91 Dated 21 August, 1991

This Consolidation is not an Official Statement
of the Law. It is prepared for assistance only

by

Co-ordinator Regional Operations
Department of Renewable Resources
Government of the Northwest Territories

FOREST MANAGEMENT REGULATIONS

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**FOREST MANAGEMENT ACT
FOREST MANAGEMENT REGULATIONS**

1. In these regulations,

"annual allowable cut" means the maximum volume of timber that may be harvested on an annual basis from a forest management unit;

"forest management agreement" means an agreement entered into pursuant to subsection 19(1) of the Act;

"land surveyor" means a person who holds a valid and subsisting commission granted under the *Canada Land Surveys Act*;

"licence" means a licence issued in accordance with these regulations;

"licence holder" means the holder of a licence;

"permit" means a permit issued in accordance with these regulations;

"permit holder" means the holder of a permit;

"reforestation" means the re-establishment of forest tree species to an area denuded of trees;

"resident" means an individual who is living in the Territories at the relevant date and has lived there for a continuous period of not less than six months;

"restoration" means the treatment of an area in which timber has been harvested, in such a manner that natural processes will return the area to a state similar to that which existed before the timber harvesting, and includes physical reconstruction at a site, removal of foreign materials, revegetation and reforestation;

"timber operation" means every kind of activity involving the cutting, transportation, scaling, milling or other use of timber;

"timber operator" means a permit holder, licence holder and a person, institution or firm that has entered into a forest management agreement;

"timber product" includes rough and dressed lumber, logs, trees, untreated round wood and ties, wood chips, pulpwood, fuelwood, lath and lath bolts, shingles and shingle bolts, fence posts, rails and poles, Christmas trees, cones, seeds, seedlings and saplings and other similar wood products;

"waterbody" means a lake, stream, river, creek, pond, swamp, marsh, channel, gully, coulee or draw that continuously contains water.

Permits and Licences

2. (1) The following classes of permits are established:

- (a) a timber cutting permit, authorizing the holder to cut timber;**
- (b) a free timber cutting permit, authorizing the holder to cut timber; and**
- (c) a timber transport permit, authorizing the holder to transport timber.**

(2) The following classes of licences are established:

- (a) a timber cutting licence, authorizing the holder to cut timber;**
- (b) a scaling licence, authorizing the holder to scale timber;**
- (c) a mill licence, authorizing the holder to mill timber; and**
- (d) a research licence, authorizing the holder to conduct research respecting forests.**

3. (1) To be eligible for a permit or licence, an applicant must be

- (a) at least 19 years of age;**
- (b) a corporation registered in the Territories;**
- (c) a society incorporated in the Territories; or**
- (d) a partnership registered in the Territories.**

(2) To be eligible to apply for a timber cutting licence an applicant must

- (a) have an established timber harvesting business within the Territories; or**

- (b) demonstrate to the satisfaction of the Supervisor the ability to operate a viable timber harvesting business for the currency of the timber cutting licence.
 - (3) A person may apply for a licence or permit by submitting an application in a form approved by the Supervisor R-099-91
 - (4) A person may apply to amend a permit or licence by submitting an application in a form approved by the Supervisor.
 - (5) Section 22 of the Act applies to all classes of permits and licences established in these regulations.
4. (1) The Supervisor shall, before issuing a timber cutting licence or an amended timber cutting licence, discuss the application with the council of the municipality in or near the area in which the timber operation is to be conducted.
- (2) The Supervisor may, where he or she consults with the council, under subsection (1), accept the advice or recommendation of the council as to the approval or rejection of the application, or the approval of the application subject to terms and conditions.
5. (1) The Supervisor shall, within 45 days of the receipt of an application submitted pursuant to subsection 3(3) or 3(4), R-099-91
- (a) issue a permit or licence, or an amended permit or amended licence;
 - (b) refuse to issue a permit or licence, or an amended permit or amended licence, and notify the applicant, in writing, of the refusal and the reasons for it;
 - (c) notify the applicant, in writing, that further time is required to issue a permit or licence, or an amended permit or amended licence, and give the reasons for it; or
 - (d) notify the applicant, in writing, that he or she has ordered further studies or investigations to be made respecting the application and state the reasons for it.
- (2) Where, pursuant to paragraph (1)(c) the Supervisor notifies an applicant, the Supervisor shall, within 45 days of the date of notification,

- (a) issue a permit or licence, or an amended permit or amended licence;
 - (b) refuse to issue a permit or licence, or an amended permit or amended licence, and notify the applicant, in writing, of the refusal and the reasons for it. R-099-91
- (2.1) Where, pursuant to paragraph (1)(d) the Supervisor notifies an applicant, the Supervisor shall, within one year of the date of notification,
 - (a) issue a permit or licence, or an amended permit or amended licence;
 - (b) refuse to issue a permit or licence, or an amended permit or amended licence, and notify the applicant, in writing, of the refusal and the reasons for it. R-099-91
- (3) An application fee is not refundable.
- (4) The order in which applications are received does not determine eligibility for a permit or licence.
- 6.
 - (1) A permit or licence expires on the date specified in the permit or licence.
 - (2) A timber cutting licence, scaling licence or mill licence is valid for a period not exceeding five years.
 - (3) A timber cutting permit is valid for a period not exceeding one year.
- 7.
 - (1) Where a forest management unit is designated under paragraph 53(1)(j) of the Act, the Supervisor may fix an annual allowable cut for that unit.
 - (2) Where a forest management unit is not designated, the Supervisor may fix the volume of timber that may be cut in an area in order to maintain a proper balance between growth and depletion of timber.
 - (3) The volume of timber authorized to be cut must not exceed,
 - (a) in a forest management unit, the annual allowable cut; and

- (b) in an area other than a forest management unit, the volume fixed by the Supervisor under subsection (2).
 - (4) Notwithstanding subsection (3), no timber cutting permit shall authorize the cutting of more than 5,000 m³ of timber.
 - (5) The volume of timber that a timber cutting permit holder or a timber cutting licence holder is authorized to cut must be specified in the permit or licence.
8. (1) A timber cutting permit or timber cutting licence may be issued for one or more specified timber products.
- (2) A person may hold more than one timber cutting permit or timber cutting licence where each timber cutting permit or timber cutting licence is, as determined by the Supervisor, for a different timber product.
- (3) The Minister may, in writing, authorize a person to hold more than one timber cutting permit or timber cutting licence for the same timber product.
- (4) A person holding a timber cutting licence or a timber cutting permit shall use all timber harvested, within one year of harvest, for the timber product specified in the timber cutting licence or the timber cutting permit. R-099-91
9. (1) The Supervisor shall issue to a timber cutting licence holder or a former timber cutting licence holder, on the completion or expiration of his or her licence, a subsequent timber cutting licence for the same volume of timber if the timber cutting licence holder
- (a) has, in the opinion of the Supervisor, demonstrated satisfactory performance under his or her licence, and
 - (b) is not and has not been in default or in breach of the Act or the regulations either during the term or at the expiration of his licence,

and there is, in the opinion of the Supervisor, sufficient timber available for harvesting.

- (2) The Supervisor may, when issuing a timber cutting licence, reserve an area of forested land in the immediate vicinity of the area described in

the timber cutting licence being issued, to allow for the subsequent timber cutting licence referred to in subsection (1).

10. (1) A timber operator, other than a timber transport permit holder, a scaling licence holder or a mill licence holder shall, in the area described in the permit, licence or forest management agreement,
 - (a) cut all timber at a stump height not to exceed 30 cm;
 - (b) cut timber in a manner that will promote reforestation and maintain an acceptable wildlife habitat;
 - (c) dispose of all slash, branches, slabs, sawdust and other debris resulting from the timber operation; and
 - (d) take all usable portions from the timber cut, leaving no waste timber.
- (2) A mill licence holder shall comply with paragraphs (1)(c) and (d).
11. Unless specifically authorized in a permit, licence or forest management agreement, no person shall cut live timber within 60 m of a public road or within 60 m of the ordinary high water mark on the shore of a waterbody.

Exemptions

12. (1) No person is required to obtain a permit or licence, or to complete or possess a timber load ticket pursuant to sections 26 to 29,
 - (a) to cut, transport and use timber incidental to prospecting, staking or locating a mineral claim;
 - (b) R-099-91
 - (c) to cut, transport and use in each year, two trees not exceeding five m in height, for the person's own use as Christmas trees;
 - (d) to cut, transport and use timber while the person is
 - (i) trapping on a trapline, or
 - (ii) hunting or fishing for other than commercial or recreational purposes; R-099-91

- (e) to transplant and transport, in each year, five trees not exceeding five m in height, for the person's own use;
 - (f) to cut, transport and use timber on public land where the person has a lawful interest in the land under a lease or agreement for sale, to the extent necessary to fulfil the development conditions of or incidental to his lease or agreement for sale; or
 - (g) to cut, transport and use timber where it is immediately necessary to preserve a person's life or property.
- (2) No person referred to in paragraphs (1)(a), (c), (d) and (e) shall, without lawful authority, cut, transport, transplant or use timber that is R-099-91
- (a) in an area described in a timber cutting permit, timber cutting licence or forest management agreement;
 - (b) on privately owned or privately leased land; or
 - (c) in a forest management area designated in accordance with paragraph 53(1)(j) of the Act.

Timber Cutting Licence

13. (1) A person applying for a timber cutting licence shall submit with his application, a long-term development plan containing a program for the development and utilization, during the term of the licence, of timber in the area described in the licence application. R-099-91
- (2) The long-term development plan must be in a form approved by the Supervisor and must include the following where applicable:
- (a) a map of the areas to be logged;
 - (b) an outline of proposed roads and buildings to be constructed and materials and equipment to be placed within the area described in the licence;
 - (c) the timing and sequence of logging operations;
 - (d) the mill sites;

- (e) a plan for fire control;
 - (f) a plan for reforestation;
 - (g) a plan for restoration;
 - (h) a plan for the protection of the environment; and
 - (i) such other details as the Supervisor may require.
 - (3) The Supervisor
 - (a) shall approve the long-term development plan along with the timber cutting licence;
 - (b) may request changes to the long-term development plan; or
 - (c) request additional information from the applicant prior to final approval. R-099-91
 - (4) The Supervisor may include such terms and conditions as the Supervisor considers necessary in the long-term development plan. R-099-91
14. A timber cutting licence holder shall commence harvesting timber within one year of the date of issuance of the licence.
15. The Supervisor may suspend a timber cutting licence that is not operated on a progressive basis for at least 80% of the term of the licence. R-099-91
16. (1) A timber cutting licence holder shall submit an annual operating plan to the Supervisor each year during the term of the licence, for a period of one year commencing on the date the licence was issued.
- (2) The first annual operating plan must be submitted not less than 30 days before to the commencement of the timber operation.
- (3) The second and each subsequent annual operating plan must be submitted not less than 30 days before the anniversary date of the licence.
- (4) The annual operating plan shall contain a detailed program of timber operations for the following year, including the information required in paragraphs 13(2)(a) to (i), as applicable.

- (5) The annual operating plan must be in a form approved by the Supervisor.
 - (6) The Supervisor shall approve or reject the annual operating plan within 45 days of receipt of the plan. R-099-91
 - (7) The Supervisor may request changes to the annual operating plan or request additional information from the applicant prior to final approval.
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 - (8) The Supervisor may include such terms and conditions as the Supervisor considers necessary in the operating plan. R-099-91
 - (9) No timber cutting licence holder shall commence or continue a timber operation in any year until the annual operating plan for that year is approved by the Supervisor. R-099-91
17. A timber cutting licence holder shall conduct his or her timber operation in accordance with the approved long-term development plan and the approved annual operating plan.
18. (1) A timber cutting licence holder who anticipates that there will be a material change in his or her timber operation shall submit to the Supervisor an application to amend his long-term development plan and the annual operating plan.
- (2) The Supervisor shall, within 45 days of receipt of an application to amend a long-term development plan, or annual operating plan, approve or reject the application for change. R-099-91
- (3) A timber cutting licence holder who is issued an amended licence pursuant to paragraph 5(1)(a) shall submit an amended long-term development plan and an amended annual operating plan for the current year.
- (4) No timber cutting licence holder shall conduct his or her timber operation in accordance with the amended long-term development plan and amended annual operating plan until the plans have been approved by the Supervisor.

Timber Cutting Permit

19. (1) The Supervisor may require a timber cutting permit holder to submit an operating plan. R-099-91
 - (2) An operating plan must be in a form approved by the Supervisor and must contain a detailed program of timber operations including the information required in paragraphs 13(2)(a) to (i), as applicable.
 - (3) No timber cutting permit holder referred to in subsection (1) shall commence timber operations under the permit until the operating plan has been approved by the Supervisor.
 - (4) The Supervisor shall approve or reject the operating plan within 45 days of receipt of the plan. R-099-91
 - (5) The Supervisor may request changes to the operating plan or request additional information from the applicant prior to final approval. R-099-91
 - (6) The Supervisor may include such terms and conditions as the Supervisor considers necessary in the operating plan. R-099-91
20. A timber cutting permit holder who is required to submit an operating plan shall conduct his or her timber operation in accordance with the approved operating plan.
21. (1) A timber cutting permit holder who has submitted an operating plan shall, where he or she anticipates that there will be a material change in his or her timber operation,
 - (a) notify the Supervisor of the anticipated change; and
 - (b) submit an amended operating plan, where required by the Supervisor.
 - (2) The Supervisor shall approve or reject an amended operating plan within 45 days. R-099-91
 - (3) A timber cutting permit holder who is issued an amended permit pursuant to paragraph 5(1)(a) shall, where required by the Supervisor, submit an amended operating plan.

- (4) No timber cutting permit holder who has been required to submit an amended operating plan shall conduct his or her timber operation in accordance with the amended plan until the plan has been approved by the Supervisor.

Free Timber Cutting Permit

22. (1) The Supervisor may issue a free timber cutting permit to
- (a) any resident of the Territories to cut timber in a volume not exceeding the following quantities, for use by that person and not for trade or resale:
 - (i) 60 m³ of fuelwood,
 - (ii) 300 m³ of sawlogs or fence posts, or
 - (iii) 20 trees of any height for transplanting; and
 - (b) a municipality to cut the timber that a municipality may require for its own use.
- (2) A person referred to in subsection (1) may transport the timber specified in the free timber cutting permit without obtaining a timber transport permit or completing or possessing a timber load ticket pursuant to sections 26 to 29.

Timber Transport Permit

23. A person may transport a timber product without obtaining a timber transport permit where
- (a) he or she is a timber operator transporting a timber product within the area described in his or her permit, licence or forest management agreement; or
 - (b) he or she is a person referred to in paragraph 26(2)(b) who is in possession of a completed timber load ticket for the load of a timber product he or she is transporting.

24. Where the transportation of a timber product with bark attached that originated outside of the Territories could, in the opinion of the Supervisor, cause or increase damage to forests by insects or disease, the Supervisor may
- (a) refuse to issue a timber transport permit; or
 - (b) issue a timber transport permit that restricts the transportation of the timber product within the Territories.
25. (1) The Supervisor shall not issue a timber transport permit to any person other than
- (a) a timber cutting permit holder,
 - (b) a timber cutting licence holder
 - (c) a party to a forest management agreement, or
 - (d) an owner or lessee of privately owned land,
- to transport a timber product out of the area described in the permit, licence, forest management agreement or out of the privately owned land respectively. R-099-91
- (2) In addition to the persons named in subsection (1), the Supervisor may issue a timber transport permit to a timber products transporter transporting timber products with bark attached where the timber products originate outside the Territories. R-099-91
26. (1) The Supervisor shall issue to each timber transport permit holder, books of timber load tickets in the approved form.
- (2) A timber transport permit holder shall
- (a) complete a timber load ticket for each load of a timber product that is transported; and
 - (b) give two copies of the timber load ticket to the person who is transporting the timber product, before the load is transported.
- (3) Except as provided in these regulations, no person shall transport a timber product on a waterbody or on public land unless he or she is in possession of a completed timber load ticket.

27. A person who transports a timber product shall, on the demand of an officer, produce the timber load ticket for the load of a timber product he or she is transporting.
28. A person who transports a timber product shall, on delivery of the timber product, leave with the purchaser or consignee of the timber product delivered, a copy of the completed timber load ticket.
29. A person who transports a timber product, or a vendor, purchaser, consignee or receiver of a timber product, shall retain in his or her possession for a period of five years all documents and records connected with each sale, shipment, delivery and receipt of a timber product and shall produce them upon request for inspection by an officer.
- 30.1.
 - (1) No person shall export timber harvested in the Territories unless that person holds an export permit issued under these regulations.
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 - (2) A person may apply, in writing, to the Supervisor, for an export permit to export timber harvested in the Territories. R-099-91
 - (3) The Supervisor may issue or refuse to issue an export permit under this section. R-099-91
 - (4) The Supervisor may impose such conditions on an export permit as the Supervisor considers necessary. R-099-91

Mill Licence

30. A person may operate a mill that mills not more than 300 m³ annually, without obtaining a mill licence.
31.
 - (1) No mill licence holder shall accept timber for milling, from any person, unless that person produces the timber load ticket under the authority of which the timber was transported.
 - (2) Subsection (1) does not apply to a timber cutting permit holder, timber cutting licence holder or a party to a forest management agreement who, under a mill licence, is milling timber within the area described in his timber cutting permit, timber cutting licence or forest management agreement.

Scaling Licence

32. (1) No person shall scale timber unless he or she holds a scaling licence issued under these regulations.
- (2) The Supervisor may issue a scaling licence to a person who passes an examination set by the Supervisor.
- (3) The scaling of timber must be conducted according to the terms and conditions in the scaling licence.
33. The Supervisor may suspend a scaling licence on the Supervisor being satisfied that the holder of the licence has acted negligently or dishonestly in the measurement or recording of timber.

Research Licence

34. (1) The Supervisor may require from an applicant, before issuing a research licence, evidence that the applicant has
- (a) supplied to the council of the municipality in or near the area in which the research is to be conducted, full particulars of the project; and
- (b) obtained the approval of the council for the project.
- (2) The Supervisor may, where the applicant has not complied with subsection (1), advise the council of the municipality referred to in subsection (1) of the particulars of the project in respect of which he or she is considering issuing a research licence.
35. Where a research licence is issued, the holder shall provide, on request, such progress or final reports as are required by the Supervisor.
36. Notwithstanding section 40 of the Act, a person may conduct research respecting forests without obtaining a research licence, unless the research is conducted on public land and it will or may cause damage to live trees, plants or other forest growth.

Terms and Conditions

- 36.1(1) The Supervisor may include in any licence, permit, long-term development plan or annual operating plan terms and conditions respecting
- (a) the location and area of the timber to be harvested or milled;
 - (b) the time at which work or undertaking may be carried out;
 - (c) the equipment that may be used in harvesting or milling operations;
 - (d) the methods and techniques to be employed in carrying out these operations;
 - (e) the location and size of access roads, skid trails and landings;
 - (f) the type, location, capacity and operation of all facilities to use during the harvesting or milling operations;
 - (g) the protection of wildlife and fisheries habitat;
 - (h) the protection of objects and places of recreational, scenic or ecological value;
 - (i) the prevention and control of forest fires;
 - (j) the reforestation of harvested area;
 - (k) the methods and techniques for debris and brush disposal;
 - (l) the deposit of the performance deposits in accordance with section 39; and
 - (m) such other matters not inconsistent with these regulations as the Supervisor thinks necessary for the proper management of the forest resources.

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- (2) The Supervisor may, on receipt of a written request, modify the terms and conditions included in any licence, permit, long-term development plan or annual operating plan. R-099-91

Charges and Deposits

37. Subject to these regulations an applicant for a permit or licence, a permit holder or licence holder shall pay the charges set out in the Schedule. R-099-91
38. For the purposes of the Schedule, "sawlogs" includes all timber products other than fence posts, fuelwood, Christmas trees and trees for transplanting.
39. The Supervisor may require payment by a licence holder of a reforestation charge and performance deposit up to the amount set out in the Schedule. R-099-91
40. (1) Where a performance deposit is required, it shall be paid immediately upon issuance of the permit or licence.
- (2) The performance deposit is based on the volume of the timber product that the permit or licence authorizes to be cut.
- (3) The performance deposit must not exceed \$10,000 for a timber cutting licence and \$2,500 for a timber cutting permit, excluding any interest generated pursuant to subsection 43(3).
41. (1) The charges payable under a permit or licence
- (a) are based on the volume of the timber product that the permit or licence authorized to be cut; and
- (b) must be paid immediately upon issuance of the
- (i) permit, for the first \$1,000 or less; or
- (ii) licence and upon the approval of the operating plan for each subsequent year, for the first \$1,000 or less. R-099-91
- (2) The holder of a permit or licence shall pay the balance of any charges over \$1,000 before the permit or annual operating plan expires. R-099-91
- (3) All money received under this section shall be applied, firstly, to any outstanding charges and, secondly, to payment of charges under this section. R-099-91

42. (1) Where a permit holder or licence holder cuts a timber product in a volume less than the volume authorized in the permit or licence, and his or her timber operation has been conducted in a manner satisfactory to an officer, the permit holder or licence holder is, on application made within three months of the expiration of the permit or licence, entitled to a refund of a portion of the charges paid by him.
- (2) The maximum charges refundable under subsection (1) is the difference between the charges actually paid by the permit holder or licence holder, and the amount that would have been payable under subsection 41(1) if the volume actually cut by the permit holder or licence holder were the volume the permit or licence authorized to be cut.
43. (1) The performance deposit must consist in whole or part of R-099-91
- (a) cash;
 - (b) a promissory note guaranteed by a bank and payable to the Government of the Northwest Territories;
 - (c) a certified cheque drawn on a bank and payable to the Government of the Northwest Territories;
 - (d) a bearer bond issued or guaranteed by the Government of Canada and assigned as to principal to the Government of the Northwest Territories; or
 - (e) a letter of credit issued by a bank to the credit of the Government of the Northwest Territories.
- (2) Where cash is deposited pursuant to subsection (1), interest must be paid on that amount in accordance with the *Financial Administration Act*.
- (3) Any interest paid on the performance deposit in accordance with the *Financial Administration Act* must be added to and forms part of the or performance deposit. R-099-91
44. The reforestation charge paid to the Supervisor under section 39 shall be used by the Supervisor for the following purposes:
- (a) collecting and transporting seed cones;
 - (b) seed extraction and storage;

- (c) site preparation;
 - (d) transporting and planting seedling trees;
 - (e) transporting seed and seeding areas where merchantable timber has been removed;
 - (f) thinning forest areas to improve growth;
 - (g) control of vegetation which may be competing with the growth of the plantation;
 - (h) conducting, surveys concerning the regeneration of forest growth;
 - (i) other activities that will replace or improve the forest resource. R-099-91
45. (1) The performance deposit must be held in trust until the permit holder or licence holder has performed, to the satisfaction of an officer, all requirements or obligations under the permit or licence, the Act or these regulations.
- (2) Where a permit holder or licence holder refuses or neglects to perform any requirement or obligation under the permit or licence, the Act or these regulations, the Supervisor may fulfil the requirement or obligation and apply all or any part of the performance deposit of the permit holder or licence holder as payment towards the cost incurred.
46. The Supervisor shall refund the balance of the performance deposit to the permit holder or licence holder R-099-91
- (a) after payment of the costs referred to in subsection 45(2); or R-099-91
 - (b) where the Supervisor is satisfied that a permit holder or licence holder has completed all of the requirements and obligations under the permit or licence, the Act and these regulations.

47. (1) The Supervisor shall issue a letter of clearance to a timber cutting permit holder or a timber cutting licence holder where the Supervisor is satisfied that all the requirements or obligations of the permit or licence, the Act and these regulations have been fulfilled.
- (2) No letter of clearance is required for a person to whom section 22 applies.
48. Notwithstanding anything in these regulations, the Supervisor may exempt a permit holder or licence holder from his or her obligation to pay all or any part of the charges set out in the Schedule where the permit holder or licence holder conducts a timber salvage operation at the request of an officer.

Suspension

49. (1) Before the Supervisor suspends a permit or licence he or she shall
- (a) give notice to the permit holder or licence holder that if the non-payment of fees or violation of the Act or regulations is not corrected within the time specified in the notice, the Supervisor may suspend the permit or licence; and
 - (b) give the permit holder or licence holder a reasonable opportunity to respond.
- (2) Subsection (1) does not apply where, in the opinion of the Supervisor, the protection of any person, property or the environment requires the immediate suspension of a permit or licence.
50. Where the Supervisor suspends a permit or licence under the Act, a notice of suspension must
- (a) be served personally on the permit holder, licence holder or a person who is apparently in charge of the timber operation;
 - (b) be posted in a conspicuous place at the location of the timber operation; or
 - (c) be served on the permit holder or licence holder by registered mail with acknowledgement of receipt.

51. (1) Every person who receives a notice of suspension shall immediately discontinue the timber operation referred to in the order.
- (2) Notwithstanding subsection (1), a timber operator shall, when served with a notice of suspension, complete all operations necessary to ensure the safety of his employees and the general public.

Records

52. (1) A timber operator shall keep and maintain books and records of all timber that is cut, transported, scaled, milled, sold or otherwise dealt with as authorized in his or her licence, permit or forest management agreement.
- (2) The books and records referred to in subsection (1) must be preserved for a period of five years from the date of entry or receipt.
53. An officer may inspect, at any reasonable time, all records required to be preserved under these regulations.
54. Every timber cutting permit holder, timber cutting licence holder and mill licence holder shall submit to the Supervisor a timber return containing a report on operations, in a form approved by the Supervisor, within 21 days following the end of each month in which timber was cut, milled or sold.

Seizure

55. An officer who seizes equipment, books, records, documents or timber under the Act or these regulations shall
- (a) serve personally on the timber operator or person in actual or apparent possession of the goods to be seized, or
- (b) post in a conspicuous place at the location where the goods are seized,
- a notice of seizure in a form approved by the Supervisor.

56. An officer who believes that any particular goods under seizure are not readily identifiable or distinguishable from other similar goods or chattels may affix to the goods or chattels a copy of the notice of seizure and no person shall, without lawful authority, deface, remove or otherwise interfere with any such notice or remove or interfere with the goods or chattels seized.

Buildings, Equipment and Materials

57. (1) Except as authorized by the *Territorial Lands Act* (Canada) or regulations made under that Act, a timber operator shall,
- (a) when no longer required by him or her for the purpose of the timber operation, unless otherwise authorized by the Supervisor, or
 - (b) upon the demand of an officer,
- remove, demolish or otherwise dispose of, in a manner satisfactory to the Supervisor, all buildings and other structures constructed by him or her in the area described in the permit, licence or forest management agreement, and all equipment and materials brought by him into that area.
- (2) Where a person fails to comply with subsection (1), an officer may cause all buildings and other structures and equipment and materials to be removed or disposed of by demolition, public sale or otherwise as he sees fit.
- (3) All costs incurred as a result of proceedings under subsection (2) may be recovered from the proceeds of sale, if any, and any balance remaining shall be paid to the timber operator.

Reforestation

58. (1) A timber operator shall reforest all cut over lands where required by, and in accordance with, the terms or conditions of his or her permit, licence or forest management agreement, and in a manner satisfactory to an officer.

- (2) Notwithstanding any provision in a permit, licence or forest management agreement, where reforestation is required to be conducted under the terms of a permit, licence or forest management agreement, it must be completed no later than 10 years following the cutting of the timber.
59. The Supervisor may exempt a timber operator from his or her obligation to pay a timber or a reforestation charge where R-099-91
- (a) the timber being harvested is determined by an officer to be dead, damaged or diseased;
 - (b) the timber is being cleared on land scheduled for agricultural development or industrial use;
 - (c) timber that is cut or was to be cut by the timber operator is burned or destroyed and the Minister is satisfied that the burning or destruction was not caused by the timber operator or anyone acting on his behalf; or
 - (d) the timber operator carries out selective cutting to improve a timber stand, as approved by the Supervisor.
60. The expiration or termination of a permit, licence or forest management agreement does not relieve the timber operator or former timber operator of his obligation to reforest.
61. A timber operator or former timber operator shall, within 30 days of completion of all reforestation, submit to the Supervisor a final report detailing the reforestation of all cut over lands that required reforestation under the permit, licence or forest management agreement.

Appeals

62. (1) A notice of appeal must be in a form approved by the Supervisor and must be accompanied by a deposit of \$250.
- (2) The deposit referred to in subsection (1) must
- (a) be returned to the appellant if the Minister varies or quashes the decision of the Supervisor, together with interest on the deposit in accordance with the *Financial Administration Act*; or