

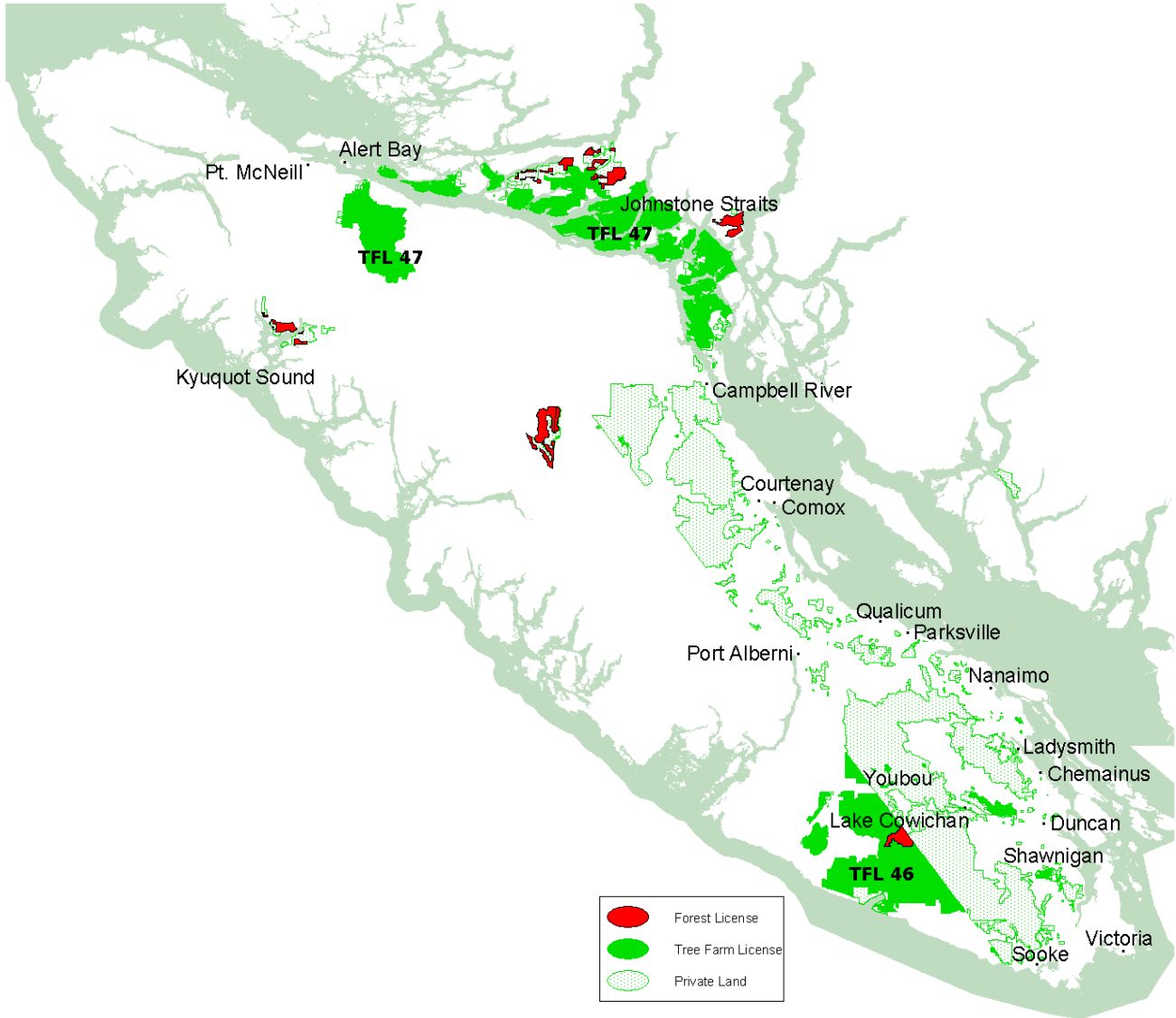


Community Update

Working with our Neighbours

January 2000

Volume I



Communication a priority for TimberWest

Welcome to the first issue of *Community Update*, a newsletter informing you of TimberWest's community relations activities on Vancouver Island.

With its significant presence in several Vancouver Island communities, TimberWest understands the importance of meeting with neighbours, First Nations, government agencies, municipalities and special interest groups.

We know that along with jobs and economic benefits, plans for logging operations, road construction and harvesting are of keen interest to local communities. And, according to new TimberWest CEO Scott Folk, we will respect community interests in planning our business activities.

In 1993 TimberWest was the first BC forest firm to assign two senior foresters to community relations. Their job is to improve communications with the public and help our operating divisions to avoid or to resolve local conflicts. Land use foresters Steve Lorimer, based in Crofton, and Steve Lackey, in Campbell River, spend their time reviewing company activities with a broad range of stakeholders from First Nations and environmental groups, to water users and recreationalists. *(continued on page 3)*



TimberWest to sell TFL 46 and Cowichan Lumbermill

On December 13, 1999 TimberWest's CEO Scott Folk announced that the company has made the decision to sell TFL 46 and the Cowichan Lumbermill. While there are significant historic ties between these operations and the company, Scott believes they will represent more value to a new owner.

The company has received various expressions of interest, and will be pursuing negotiations with these parties. There are a number of potential outcomes at this time.

TimberWest is ISO certified



In November, TimberWest's environmental management system (EMS), which is focused on preventing environmental damage on both our public and private lands and at our manufacturing operations, received certification under ISO 14001. With this international certification, customers know that our products come from forest operations that meet environmental protection standards set by the International Organization for Standardization (ISO) based in Brussels. KPMG Quality Registrar Inc awarded this certification following a comprehensive independent audit. The auditors assessed the completeness and the effectiveness of TimberWest's EMS, including audits of field practices. To retain ISO 14001 registration, additional audits must be performed every three years at all our operations.

In addition, forest practices on TimberWest's private land are audited periodically by the Private Forest Landowners Association, by our internal audit process that involves independent auditors, and commencing within the next year, by the B.C. Land Commission. Public land forest practices performance is monitored by staff from

both the Forests and Environment ministries, and is audited by the independent Forest Practices Board.

VR initiative moves forward

In May, 1999, TimberWest announced plans to phase out clearcutting within four years, replacing it with variable retention (VR), a forest management system offering an ecologically and visually sensitive alternative. Since then, our VR team has established guidelines for applying VR on all company lands. It also produced a comprehensive VR manual and employee-training program. Training is in progress, including a three-day session designed to help crews harvest retained trees safely, and mitigate the impact of windthrow. Variable retention systems are already in use on our private lands and will shortly be incorporated into harvest plans on Crown land.



Communication a priority

(from page 2)

In 1999, they met with more than 50 different groups in 20 communities and represented TimberWest on more than 13 community based committees. Their efforts are supported by TimberWest's Chief Forester, Don McMullan, and dozens of TimberWest personnel, who each year spend hundreds of hours at plan reviews, site meetings and open houses.

Also this year, Scott Folk, President and CEO of TimberWest and other senior managers met with community leaders and interest group representatives from 13 Vancouver Island communities. During these informal sessions, Scott reviewed TimberWest's commitment to variable retention harvesting, its new Watershed

Management Strategy and its efforts to achieve international certification for its harvest practices. TimberWest embarked on all three initiatives in direct response to community concerns.

"My main objective is to meet local people and listen to what they have to say," said Scott. "While we have historically placed a heavy emphasis on community relations, in some communities we still have some work to do. We know we can only expect public support if we demonstrate that we are good neighbours and if we operate in an environmentally responsible manner. The challenge is winning support, without sacrificing jobs or operational viability. This is never easy, but I'm convinced it can be done."

Community input valued at all TimberWest operations

It's surprising how many British Columbians still think forest companies are free to operate as they wish, with little or no public input.

"This is particularly true when it comes to our private lands," says land use forester Steve Lackey. "It's quite a misconception, especially given the complex regulatory obligations and social imperatives that guide all our activities today."

On public lands, TimberWest's operations are governed by the Forest Practices Code. The Code requires detailed agency approvals at various stages in the harvest planning process and all plans be subject to regular public review.

In 1999, the provincial government enacted new regulations governing certain of BC's private forest lands. They are to come into effect April 1, 2000 and are results based and will be administered by the B.C. Land Commission. These regulations are aimed at protecting water

quality and fish habitat, soils and critical wildlife habitat. There is also a requirement to ensure prompt post-harvest forest regeneration. They apply only to private lands classified as Managed Forests.

In addition, on its private lands, TimberWest has voluntarily committed to:

- considering important views, especially in areas dependent on tourism;
- protecting drinking water quality in domestic and community water supply areas through its Watershed Management Strategy;
- considering special management in areas with high wildlife value; and
- ensuring that public concerns are considered in the planning process.



On TimberWest's public lands

One third of TimberWest's fibre supply comes from government-owned land on Vancouver Island.

Public land use forester Steve Lorimer, a 25-year company veteran, is responsible for communicating with stakeholders on Crown land operations. It is a long way from his early field forestry roots.

"We are in a complex business, which affects a great many people, in many different ways," he says. "My job is to help close the information gap and to build two-way communications. We need to protect the environment and the community needs forest-based jobs. With hard work, it is possible to have both."

Steve and other TimberWest staff routinely attend meetings and working sessions in more

than eight Island communities. The following is a partial list of their 1999 activities.

Port Renfrew: Steve, John Mitchell and Bob Wellington represent TimberWest on the San Juan Steering Committee, which restores and enhances fish habitat with joint funding from TimberWest and Weyerhaeuser, Forest Renewal B.C. and from several government fisheries enhancement funds. Members of the Pacheedaht Band participated in the in-stream projects.

Lake Cowichan: TimberWest is a partner in a joint venture with the Lake Cowichan Forestry Cooperative to harvest up to 28,000 cubic metres from the co-op's forest license on Mount Bolduc. TimberWest crews are harvesting the timber using cable yarding and helicopters, and proceeds from log sales will be shared between both parties.

In October, the Dididaht Band celebrated the opening of a rearing and spawning back channel on the lower Caycuse River, near Nitinaht Village. This project was a three-year cooperative effort between government agencies, TimberWest and Weyerhaeuser.

Steve Lorimer is also working on the steering committee of the Cowichan Lake Gateway Project to develop a business plan focused on tourism and eco-tourism in the area.

Ladysmith/Courtenay: Both Steve Lorimer and Steve Lackey joined First Nations, community interest groups and business representatives at community forest sector workshops to develop information for the premier's October Summit on Economic Opportunity.

Johnstone Straits: Bruce Storry, Operations Planner, represents TimberWest in the ongoing work of the Central Coast Land and Resource Management Planning Process, aimed at identifying protected areas, resource development and other land use designations.

Quadra Island: Rick Monchak, Operations Forester, arranged a joint field review of

proposed harvest areas with the ministries of Forests and Environment, the Quadra Island Forest Watch and the local Salmon Enhancement Society.

Port McNeill: TimberWest recently joined with the Namgis First Nation, Federal Department of Fisheries and Oceans, Ministry of Environment, Lands and Parks and Canfor, on the Nimpkish Resource Management Board. Its goal is to cooperate on regional resource management projects. Gord Glover, Operations Forester from Beaver Cove, represents TimberWest.

A First Nations forestry crew, comprising members of four North Island Bands, successfully completed a planting project for our Beaver Cove operation this year.

“Where possible, we try to find work for native forestry crews, but we need to do more work in this area. Considering the importance of economic and treaty issues, I view communications with First Nations as a very important part of my job.”



On TimberWest’s private lands

Efforts address water, road, viewscape concerns

TimberWest is committed to protecting key public environmental values on its private lands and considering public issues within its planning process.

But we also have a responsibility to our investors to pursue the unique opportunities that

come with being BC’s largest private forest landowner. It can sometimes lead to tough decisions.

“While it’s true we do have greater operating flexibility, we do not seek to use this competitive advantage at the expense of the environment,” says private land use forester Steve Lackey. Steve has been with TimberWest for 28 years and has considerable field experience. He is responsible for community relations related to our 334,000 hectares of private lands-- an area about the size of the State of Rhode Island.

Steve’s 1999 activities include dozens of agency and stakeholder meetings on watershed management throughout the Island. While most local issues were successfully resolved, discussions continue on future harvesting in the Sooke River watershed.

“We can expect some controversy, no matter what we do,” he says. “Sometimes issues arise through rumours or misunderstandings. And we do make mistakes. But things will only improve through better communications and by working with both supporters and critics to find better solutions.”

This year, TimberWest participated in four salmon enhancement programs on its private land at Englishman River near Parksville, Woosely Creek, Port Alberni, Beaver Creek near Lake Cowichan and Woods Creek, in the Campbell River area.

Other activities include:

Sooke: Neighbours experienced windthrow damage to power lines during the winter storms of 1999 after local harvesting. The company responded by reducing the risk of further interruption of electrical service by removing risk trees. The company also met several times with the Sooke Watershed Society and the Regional District Director regarding harvest plans in the Sooke area.

Campbell River/Courtenay: Discussions are ongoing with Strathcona Park Lodge regarding

our year 2000 harvest planning. A number of issues, including harvest timing and viewscape impacts, are being reviewed.

Steve and Operations engineers Gary Lawson, Gary Veitch, John Mitchell and Murray Brandon reviewed harvest plans with the Friends of Farnham Forest (Merville), residents in the Plateau Road area, members of the Oyster River Watershed management Committee, and the Comox Strathcona Regional District. Discussions centred on variable retention harvesting, watershed management, and road access.

Cumberland: Meetings with Cumberland Village Council reassured residents that planned harvesting on the west side of Comox Lake would not adversely impact important viewsapes.

Shawnigan Lake: TimberWest's Murray Brandon worked with local residents to review potential impact of harvest plans in their area. Key concerns were resolved following the company's commitment to variable retention techniques.

Port Alberni: Several meetings were held in this community with neighbours, government representatives and company personnel concerning truck crossing of the Log Train Trail and harvesting plans in community watershed areas.

Parksville: TimberWest's Community and Sensitive Watershed Management Strategy was very well received at a meeting held by the Arrowsmith Watershed Coalition in mid September.



TimberWest works with towns to protect local drinking water

Residents of Ladysmith, Saltair and Chemainus will continue to have clean drinking water, thanks to a co-operative effort between TimberWest and the local town council.

In February, TimberWest approached the community with plans to harvest a series of small second growth patches on its privately owned land that includes the Holland Creek watershed.

“Our Nanaimo Lakes staff developed our plans with protection of the community water supply in mind,” says Steve Lackey. “We initiated the meetings because of the need for open dialogue with the community and to meet obligations that we agreed-to as a result of a recent land trade agreement with government”. In response to this agreement, TimberWest developed a new watershed management strategy governing its operations in community and domestic water supply areas on our private lands. For our private land operations, harvesting and road building plans for watersheds now require hydrologist approval and must be reviewed with individual water users. The goal is to ensure water quality is not materially affected by company activities.

Ladysmith's town water managers joined TimberWest's engineers on site to review company plans to upgrade access roads into Holland Creek, as well as proposed harvesting schedules. After council reviewed their final report in September, it recommended some harvest sequence revisions, which were adopted by TimberWest.

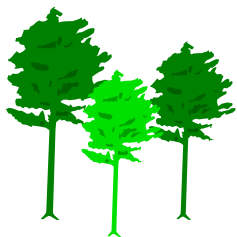
Under the latest plan, close to 60,000 cubic metres of timber will be removed in the next two years, using variable retention harvesting techniques.

“This was a very positive exercise on both sides,” says Steve. “The council doesn't want us to stop logging and we don't want to damage the people's water supply. So far, the community

has made a strong contribution to this project and we have built a solid working relationship for the future.”

Mayor Rob Hutchins agrees. “All our meetings have been constructive, and we are very pleased with the way the company responded to community concerns.”

Over the past several months, as required by TimberWest’s watershed management strategy, TimberWest’s forest hydrologist Dr. Bob Willington, Steve Lackey and operational planning staff met with water purveyors for the municipalities of Port Alberni, Sooke, Ladysmith, Nanaimo, Parksville/Qualicum, North Cowichan, Courtenay, Oyster River, Cumberland and Youbou to review harvest plans within local watersheds.



Did you know?

TimberWest directly employs 1500 people in logging and manufacturing on Vancouver Island. By paying municipal taxes and buying local goods and services, we contribute to the economic stability of more than 20 communities on Vancouver Island alone.

If you have a question or concern about TimberWest’s activities, contact land use foresters Steve Lackey at 250-286-7362 lackey@timberwest.com (private lands) or Steve Lorimer at 250-246-6811 lorimers@timberwest.com (public lands). If

you would like more information about ISO Certification, variable retention or our watershed management strategy, you can contact us on the Internet at www.timberwest.com

Canada’s Most Endangered Mammal



The Vancouver Island Marmot once occupied suitable subalpine meadow habitat over most of the mountainous areas of the Island. There is clear evidence that as long as 2700 years ago, First Nations people hunted the marmot as a food source and for pelts. Over time, due to unknown causes, Marmots have disappeared from about 2/3rds of their historical natural range and populations have declined by about 70% in the past decade. Today the population is about 70 animals and the species is legally designated as “Endangered” under the B.C. Wildlife Act of 1980.

This species faces extinction unless drastic action is taken, and that action is the Species Recovery Plan that was prepared by a scientific Recovery Team. Efforts by this team have made the Vancouver Island

marmot one of the world's most thoroughly studied marmots. TimberWest has contributed its biologist Dave Lindsay, to the team, which is working to protect and improve habitat and to support a captive breeding and subsequent reintroduction initiative under the recovery plan.

Over the years, TimberWest has contributed certain of its private lands to the Haley Lake Ecological Reserve and the Green Mountain Critical Wildlife Management Area. We recently completed a land trade, which added a further 256 hectares to the Haley Lake reserve. The vast area of Strathcona Park also contains ideal marmot habitat and colonies flourished there up until about 30 years ago when they disappeared. While fully protected areas of Haley Lake and Green Mountain and the Mount Washington recreation area support some marmot colonies, at present several known and occupied habitats are found on TimberWest's private lands.

Andrew Bryant, Scientific Advisor for the Recovery Team notes that in terms of today's surviving marmot population, "forestry does not disrupt natural subalpine meadow habitat, but may exacerbate the 'eggs in one basket' problem by concentrating marmots in a small area, making them more vulnerable to predators, disease or the effects of local weather." In fact, about half of the surviving marmots have moved into downslope clearcuts where initially there is more forage. The effects of logging, however, do not explain the disappearance of marmots from Strathcona Park. The reality may be that the combination of predators, disease, tree invasion of natural habitat, inhibited dispersal due to highways, reservoirs, downslope forestry activity and utility corridors are all contributing to declining population in the remaining colonies.

TimberWest will continue to participate on the scientific Recovery Team will increase its efforts to support the teams' field activities including population sampling, predator control initiatives and special forestry practices aimed at enhancing habitat suitability in some colonized clearcuts. The company is also considering a direct financial contribution in support of the captive breeding and reintroduction program.



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