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JUL 27 2017

Andrew Merilees
Chair
Misty Isles Economic Development Society
PO Box 652
113 Oceanview Drive
Queen Charlotte, British Columbia
V0T 1S0

Dear Andrew Merilees:

Thank you again, for your letter of May 3, 2017, regarding a community forest agreement (CFA) on Haida Gwaii. With a new government in place, I am able to respond in detail to the five points raised in your letter.

1. The current payment amount calculation for a reduced non-BC Timber Sales licence is prescribed by Section 24 of the BC Timber Sales Regulation (381/2008). The Deputy Minister has asked Ministry of Forests, Lands, Natural Resource Operations and Rural Development staff to explore the policy implications of amending this regulation to allow for a unique Haida Gwaii solution for this CFA opportunity. However, there are significant provincial revenue and policy ramifications that the government will have to consider carefully with respect to amending the regulation;
2. This tenure opportunity will remove a very large area-based tenure from Timber Supply Area (TSA) 25. In order to be representative of the timber harvesting land base across the entire TSA, and balance community access with potential impacts on other licensees' operations, the tenure must include area in South Moresby. Based on public feedback the District Manager has requested a minor modification to add area in the vicinity of Nadu Road, within the Drizzle Watt Loon area, and delete a commensurate area in South Moresby. In addition, the CFA area remaining in South Moresby will align with other BC Timber Sales planned operations in that area;

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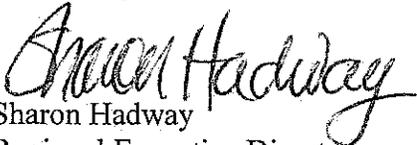
3. The District Manager is satisfied that Forest Analysis and Inventory Branch staff have conducted sufficient analysis to demonstrate that the proposed area will support an Allowable Annual Cut (AAC) of up to 80,000 cubic metres, provided that the area is managed following the same modeling constraints as TSA 25's most recent AAC determination. At your request, the District would be pleased to meet with you and review the analysis that was undertaken.

It will be the CFA applicant's responsibility to complete the necessary professional analysis and propose an AAC for the area that is consistent with the Management Plan strategies that the CFA applicant develops. With regard to obtaining better maps, please contact the District Manager;

4. I am mindful of concerns MIEDS and other interested parties have expressed about key attributes of this tenure opportunity as mandated. As the delegated decision maker, I intend to seek confirmation from the new government and Minister on the terms of the mandate and determine if there are any revisions to the mandate; and
5. The District Manager and I will ensure the prospective invitation and issuance of this agreement is carried out in accordance with the Kunst'aa guu –Kunst'aayah Reconciliation Protocol.

I appreciate your patience and your continued collaboration on the CFA initiative for Haida Gwaii.

Yours truly,



Sharon Hadway
Regional Executive Director
West Coast Natural Resource Region

pc: Craig Sutherland, ADM, Regional Operations Division - Coast Area
Chris Stagg, ADM, Timber Operations, Pricing and First Nations Division
Len Munt, District Manager, Haida Gwaii Natural Resource District