

Temagami Advisory Team Suggested Community Outreach Messages

The intent of this document is to suggest consistent messaging in plain language that can be adapted and used by Advisory Team members to explain the LFMC proposal and benefits to their community

1. What is happening on the Temagami Forest? Who is involved?

In 2013, MNRF was approached by a group of local community and forest industry representatives with known business and forestry interests on the Temagami MU. They expressed their interest in working with MNRF to examine forest tenure options for the management unit to resolve long-standing concerns. In 2017, this group was asked by MNRF to prepare a framework document to explore questions around financial viability, governance and transition related to a new forest tenure model.

MNRF is now considering a proposal by this group, the Advisory Team, to establish Ontario's second LFMC, under the *Ontario Forest Tenure Modernization Act, 2011*, to manage the Temagami MU and market and sell Crown forest resources from the unit. MNRF has posted a Voluntary Policy Proposal on the Environmental Registry <https://ero.ontario.ca/notice/019-2148>

The Advisory Team includes local citizen's representing:

- Temagami First Nation
- Teme-Augama Anishnabai
- Matachewan First Nation
- Timiskaming First Nation
- City of Temiskaming Shores
- Municipality of Temagami
- Town of Latchford
- Township of James
- Georgia Pacific
- EACOM
- Goulard Lumber
- Alex Welch Logging

2. What is a local forest management corporation?

Local forest management corporations (LFMCs) bring together municipal and Indigenous communities and industry to steward the sustainable harvesting and management of local forests.

LFMCs hold sustainable forest licences and market, sell and enable access to a predictable and competitively-priced supply of Crown forest resources. They provide employment and economic development opportunities in the forest sector for communities dependent on Crown timber from the management area.

The Ministry of Natural Resources and Forestry (MNRF) continues to provide an oversight role to these Crown forests including the approval of forest management activities prior to their implementation.

A local forest management corporation is a Crown agency that is governed by a board of directors with local representation. It is a self-sustaining business that is responsible for forest management activities including to:

- Hold the Sustainable Forest Licence (SFL)
- Manage the Temagami Forest including forest management planning and forest operations
- Renew and tend the forest to ensure its long-term health
- Market and sell competitively priced and predictable wood supply
- Seek new markets and innovative users for wood products
- Promote forest based economic development opportunities for local people (municipalities and Indigenous communities)
- Work with local industry and communities to make sure the management of the Temagami Forest meets the needs of people working and living in or near the forest.

3.What are the benefits of a local forest management corporation?

The Temagami Advisory Team developed the following desired outcomes / benefits of a local forest management corporation:

- An environment where the voice of municipalities, Indigenous and forest industry partners is heard and considered;
- The ability to advance health, vitality and sustainability of Crown Forests.
- A constructive means to resolve complex issues locally;
- Shared accountability at a local level and partnership between municipalities, First Nations, and forest industry;
- Crown stumpage dues would be retained in local economy to support local corporate objectives;

- Economic benefits to local municipalities and First Nations (jobs, training, capacity building, local contracts, etc.);
- Improved promotion and open marketing of underutilized forest products and improve utilization of available harvest;
- Achieve lowest wood costs of all stand-alone forest tenure options;
- Potential to further reduce wood costs in cooperation with forest industry;
- Develop broader community outreach methods for strong community forestry awareness;

4. What are the main objectives of the proposed new LFMC company?

The main objectives of the proposed new LFMC company are to:

- hold the Sustainable Forest Licence (SFL) and manage the Temagami Management Unit in a manner necessary to provide and promote for the long-term sustainability (i.e. social, economic and environmental pillars) of the Forest;
- increase local governance participation and provide opportunities for meaningful involvement of local First Nations and local municipalities;
- develop a cost effective and sustainable business model;
- favour local economic development opportunities that include, but are not limited to underutilized wood;
- recognize and honour wood supply commitments and use;
- facilitate full utilization of the allowable harvest volume;
- recognize and respect the aboriginal and treaty rights of representative First Nations including recent case law;
- promote the best end use of forest products produced from forested lands through innovation and technology;
- promote a strong working relationship with the MNRF and other government departments, federal and provincial, including scientific and management support;
- increase government investments directed towards enhancing local sustainability for forest management.

5. What area is proposed? What is the geography?

The proposed LFMC would manage and sell Crown forest resources from the current Temagami Management Unit. The management unit is administered by MNRF's North Bay District. It is bordered by the Timiskaming Forest to the north and the Sudbury and Nipissing Forests to the west and south respectively. Lake Temiskaming and the province of Quebec form the eastern border of the management unit.

The Temagami Management Unit is part of n'Daki Menan the traditional homelands of the Teme-Augama Anishnabai/Temagami First Nation and also lies within the area of interest of the Matachewan First Nation and the Timiskaming First Nation. It also includes areas of six municipalities.

The Temagami management unit encompasses 6,341 square kilometres (2450 square miles), of which 3,203 square kilometres (1235 square miles) is Crown productive forest designated available for forestry.

6. What is the status of this proposal? When can we expect it to be operational?

As an Advisory Team, we have been working to assess the viability and refine the business model for the proposed LFMC so that all parties can agree with it. Our first submission to the ministry in spring of 2019 received the minister's support to continue moving the proposal through government approvals. Since spring of 2019 the Advisory Team has revised their financial model to compensate for the fact that timber sale revenues ear-marked for the agency based on an earlier establishment date have been lost. The Advisory's revised proposal is intended to strengthen the business case proposal. It consists of new requests including the capping of forest management fees, and a hybrid management fee structure.

It is expected that it could take approximately 12-18 months to get the LFMC operational once it is established by regulation. It is our hope that the new company will be established in late fall/early winter and operating under a Sustainable Forest Licence by April 1, 2022.

Once the Crown Agency is established a number of key components would be required for it to be considered fully operational, including the appointment of a permanent Board, hiring of key staff including a General Manager, and the issuance of the Sustainable Forest Licence (SFL).

There is now a proposal on the Environmental Registry seeking to amend the regulation of the Forest Tenure Modernization Act, 2011 to establish a local forest management corporation for the Temagami Forest.

The governance task team (a subset of the Advisory Team) is conducting outreach sessions over the next few months and applying its own local nomination process to identify qualified candidates for the board of directors. Targeting the end of December, the governance task team will provide the list of reserve seat nominees with a letter of support from each of their constituencies for the Minister's consideration. The public appointments process will be initiated once the LFMC is officially formed, and the board of directors will be instated once the public appointments process is complete.

7. Why is this being proposed?

The Advisory Team's vision for an LFMC on the Temagami Forest is to achieve and maintain an affordable wood supply, provide for local decision making in the management of the forest and to offer opportunity for local economic development.

Currently the Temagami Management Unit is managed by the Ministry of Natural Resources and Forestry (MNR).

Our proposal looks to establish a local forest management corporation that would provide a shared governance model responsible for the sustainable forest management and the marketing and selling of wood harvested on the Temagami Management Unit.

Over the past 25 years, numerous attempts have been made by interested parties to change or modernize the governance structure for this forest to include municipalities, First Nations and the forest industry in a more meaningful manner.

8. How do we know if this LFMC can be viable?

A financial feasibility model has been developed by the Advisory Team in collaboration with MNR and including forestry companies that have operated on this unit. This model has been used to assess the viability of the proposed agency under various market conditions.

Wood sale volumes are the main driver of financial success for an LFMC and the agency will need to sell and market an appropriate volume of wood from the Temagami Management Unit to be viable.

This feasibility model will form part of the Ministry's submission for government approvals.

9. What is the process to establish an LFMC?

Local First Nations, forest industry and municipalities came together in 2013 to look at different possible models of forest tenure for the Temagami Management Unit. The local Advisory Team worked with MNR to find a viable model and a proposal was sent by the local Advisory Team to the Minister of Natural Resources and Forestry. Support to proceed with putting together a more fulsome proposal was given recently by the Minister's Office; However several steps remain before the LFMC can be established, including:

1. Consultation with local First Nation and Métis communities and outreach to area municipalities
2. The development of the completed proposal including the financial business model for final government approval
3. If approved by government, a process to transition from the current MNR responsibilities to the new LFMC company

10. How will local interests be part of the LFMC? How will board of directors be appointed?

The LFMC will be governed by a Board of Directors appointed by the Lieutenant Governor of Ontario through an established public appointments process. The Board of Directors will oversee the work of the LFMC including the selection of the General Manager, the development of the strategic plan, oversight of the agency's reporting requirements and overall management of the forest.

The Temagami Advisory Team has recommended that the Board contain six (6) reserved seats, consisting of 2 for the local First Nations (one specifically for Temagami First Nation), 2 for communities (one specifically for the Municipality of Temagami) and 2 for Forest Industry.

A local nomination process will be carried out to identify recommended qualified candidates to fill the Board seats. The Advisory Team and Governance Task Team have developed a skills set to assess all nominees. All nominees must go through the general public appointment process for government agencies. Those nominees originating from the local nomination process (i.e. 2 reserve seats for First Nations, 2 reserve seats for Municipalities, and 2 reserve seats for forest industry) will be qualified candidates chosen by their constituent groups at their discretion, by a means of their choosing. The reserve seat nominees and their evaluation will be fed into the general public appointment secretariat process for the Minister's consideration and evaluation. Parallel to the local nomination process, the Public Appointment Secretariat will advertise publicly online for other candidates that may wish to apply and these candidates may also be considered at the Minister's discretion.

11. What will happen to the existing licence holders and contractors that depend on harvesting in the Temagami Management Unit?

Recognizing the importance of local economic development is a key objective of an LFMC, and the LFMC's efforts will focus on supporting existing licensees and contractors so that forest operations are not disrupted and jobs are maintained.

Initially, it is expected that Forest Resource Licence holders and contractors will see little change. Timber allocations are made available by way of the Forest Management Plan (FMP) and timber cutting will continue to be authorized by the Ministry of Natural Resources and Forestry (MNR) through the issuance of a Harvest Approval.

Licence holders will be responsible for marketing their timber in a manner consistent with existing wood directives and/or MNR Timber Supply agreements. Forest Operations Compliance inspections will continue to be carried out by Certified Inspectors.

As the proposed LFMC matures, a portion of the available wood from the Temagami Forest will be marketed by the LFMC according to the Objects of the Corporation.

12. How much wood will be available for the LFMC to sell?

Once the LFMC is operational and holds the SFL, one of its core roles will be to facilitate additional harvesting of the available area and to market the wood accordingly. The total annual planned volume available in the 2019-2029 FMP is 280,491 m³/year as identified in the current District Wood Disposition Strategy; however actual harvest has fallen short of this planned volume. One of the objectives of the new corporation will be to find new markets and encourage innovative forest products to get the best value from the harvest of the forest. This could be through increased harvesting and increased wood product values. Any uncommitted or underutilized wood could be sold by the LFMC to interested parties through a combination of competitive auctions, tendered sales and or negotiated sales.

13. Where will the office of the Temagami LFMC be located?

The decision of the office location will rest with the Board, in consultation with the General Manager, once established. With a mandated focus on providing economic benefits to Indigenous and local communities, it is expected that the office will be in one of the communities within the Temagami Management Unit. The Board and General Manager will determine the most appropriate and cost-effective office location as part of the operational plan.

14. How is the process to establish an LFMC on the Temagami Management Unit related to the forest management planning on the unit?

The process to establish an LFMC for the Temagami Management Unit is a business process. It is parallel yet separate from related ongoing initiatives on the Unit, such as the forest management planning and day-to-day operational efforts currently underway.

The Temagami LFMC will have responsibility for forest management planning once it acquires the Sustainable Forest Licence for the unit. Forest Management Planning will continue to be carried out in a manner consistent with the approved Forest Management Planning Manual and the associated guidelines. The Local Citizen's Committee will continue to review and provide input into forest management planning processes.

15. How does this proposal align with Aboriginal and treaty rights?

This proposal to establish a LFMC cannot take away from the protection provided for existing Aboriginal or treaty rights of the Aboriginal people of Canada as recognized and affirmed in section 35 of the Constitution Act, 1982.

The MNRF will still be responsible to ensure consultation and accommodation; However MNRF may delegate parts of the consultation process to the LFMC in accordance with the Forest Management Planning Manual regulated under the Crown Forest Sustainability Act.

Moving to a new forest tenure model on the Temagami Management Unit is a long-term commitment that will proceed carefully, considering the interests of Indigenous peoples, among others.

New forest tenure models are intended help facilitate greater community including Indigenous involvement in the management of Ontario's forest sector; this includes the opportunity for direct involvement in Local Forest Management Corporations with representation on the board of directors.

The LFMC is also expected to increase the understanding of, and participation by, Indigenous communities in the business of forestry locally. It will help identify, maintain and enhance Indigenous economic opportunities that are aligned with Indigenous interests, knowledge and capacity.

One of the primary objectives of the LFMC model is to provide opportunities for meaningful involvement by Indigenous communities through collaborative, engagement in the management of the forest which includes consideration of Indigenous and treaty rights.

16. How may this proposal benefit local Indigenous people?

The idea of the Local Forest Management Corporation was developed together with First Nations and it is intended to give more influence over the management of the forest and greater benefits to Indigenous communities and people in several ways including:

- reserved seats on the board of directors for local Indigenous communities – this allows local First Nation people to have influence over the decisions of the forest management company
- an objective of the Local Forest Management Corporation is to be able to provide economic development opportunities to Indigenous people – how this is done is part of the job of the board of directors
- a board of directors of local people will be giving direction to the Local Forest Management Corporation to find solutions that make sense to local people

revenue will be collected by the Local Forest Management Corporation and spent locally to benefit the management of the Temagami Forest directly

17. Will Resource Revenue Sharing agreements apply to the Temagami Management Unit?

- Once the Local Forest Management Corporation is established, stumpage revenues will be directed to the Corporation and will no longer be collected by the Province and so there will be no resource revenue sharing from the Temagami Management Unit
- The stumpage revenues will be available to be used by the Local Forest Management Corporation including for the objective of Aboriginal economic development

18. How are you keeping people informed of the progress?

As members of the Advisory Team, we are committed to keeping people who are interested in the proposed establishment of a local forest management corporation on the Temagami Management Unit informed of its progress. The Advisory Team will continue to be involved if the proposal is approved. A transition team will ensure there is local involvement as the LFMC is established, that the sustainable forest licence is issued and the Board of directors is created. To assist the board in its governance and to keep people informed, the board may consider the establishment of advisory committees.