

Hi Heidi,

Please find below a short response to the report titled "A Spatial Analysis and Literature Review of Timber Potential in the Deh Cho Territory, NWT", 2003 prepared by PACTeam Canada and the "Delivered Log Cost Guide" prepared by JC Bartlett & Asstes Ltd. that highlights some of the uncertainties around the timber modeling and other calculations made in the reports.

PACTeam Report:

- Report is stand alone and cannot be used for the modelling purposes applied to it. The categorical variables change their nature when summarized. Summarization causes the aspect of "abundance of timber types" to become "presence of timber types". Quantification opportunities are lost.
- The PACTeam Report can only be taken as a "stand alone" report. The information is summarized in ways that are accurate for the presentation in the report, but not capable of being used for quantitative purposes external to the report itself. This is due to the complexity of categorical variables used within the report to ultimately generate classes called very high, high, etc. potential to supply timber.
- The PACTeam Report contains mechanisms to summarize internal data that grouped information generalizing it ultimately to a size of 100 km² pixel sizes. The summarizing, indeed, went even beyond this threshold by smoothing these into the surrounding area if they were single pixels. This has the effect of making the attributes describing these pixels almost without value. The pixel sizes are far in excess of what would normally be used in any kind of timber supply modeling.
- The generalizing was done in a fashion that imparted a bias to the higher categories as the several part generalizing process occurred. As an example, a text area that may have included 30% "very high" at the beginning of the generalizing process, could very likely have ended as being 70% "very high" once the 100 km² pixel size was standardized.

The Bartlett Report:

- Uses the PACTeam Report without recognizing the summarization problems of the categorical timber variables.
- It appears that in the Bartlett Report calculations are made using "areas of sawlog stands" from the High and Very High categories in the PACTeam Report. These are in fact "areas of high probability of sawlog stands". These are two very different things.
- Information is available to significantly strengthen the marketing numbers. These should be investigated.

A couple of other points:

- The modeled sustainable timber supply volumes (as presented in

Fort Simpson of 5-15 million cubic meters) is far in excess of what appears to be available or sustainable.

- The value of wood from the timber resource is likely much more variable than is assessed for the modelling requirements. Although unsubstantiated, the following information from News North who quoted Mr. Eugene Patterson that he expected a gross revenue of \$400,000 from a 4,000 cubic meter sawlog operation in the Cameron Hills. If this report is accurate, this would mean that Mr. Patterson saw his resource value at roughly \$100/cubic meter given his marketing expectations.

We are able to provide a more detailed response upon request or assist with modeling efforts if requested. We would like to meet with the DCLUPC modeling representatives to discuss these reports and explore further if it can be arranged.

I hope this helps in your assessment of these reports. Please contact Tom Lakusta or myself if you would like to discuss further. Thanks.

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