

TIMBER TENURES

in British Columbia

Managing Public Forests
in the Public Interest

2023



Timber Tenures in British Columbia Brochure – Version 1.0

October 10, 2023

Ministry of Forests

Integrated Resource Operations Division

Forest Tenures Branch

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More Information

For more information, please use the QR code below to visit the Forest Tenures Branch’s website or click the link here: <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures>.

Questions can be directed to the Forest Tenures Branch at ForestTenuresBranch@gov.bc.ca.



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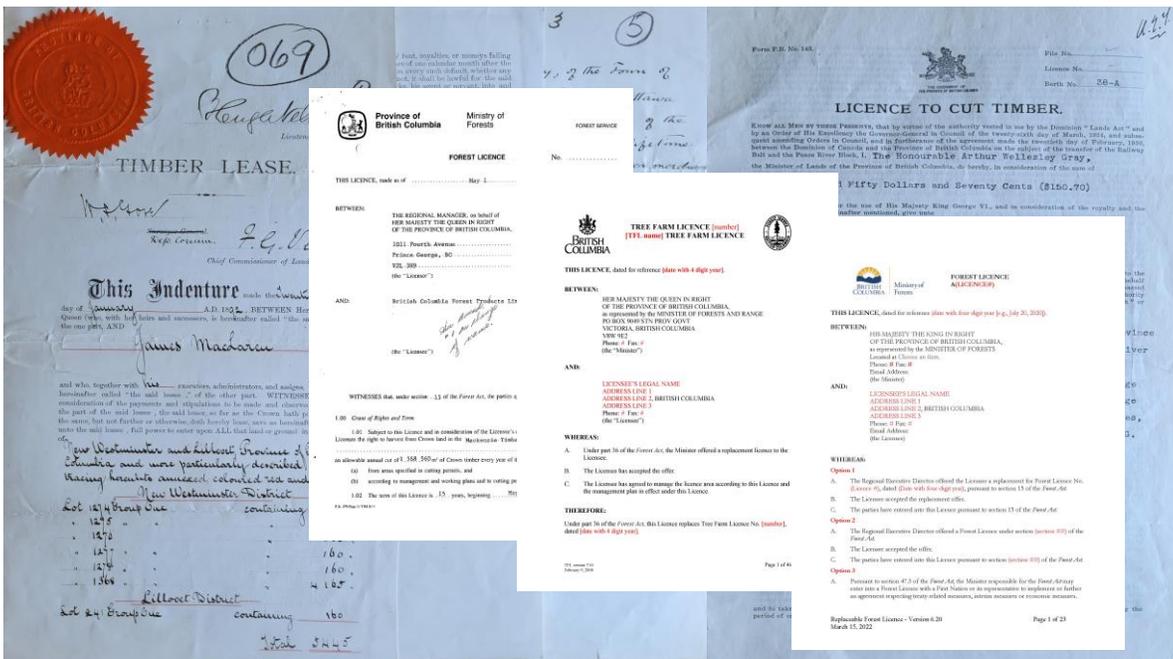


Introduction

British Columbia's Ministry of Forests is the principal provincial government agency responsible for the province's public forests. The government's vision for forests and the forest sector is:

- where we ensure resilient forests, landscapes, wildlife and watersheds for the benefit of British Columbia and for generations to come;
- where we continue to support the transformation of the Forest Sector into a model that transitions from high-volume to high-value and provides expanded opportunities for industry innovation; and
- where we work in meaningful partnership with First Nations and communities to prioritize ecosystem health and community resiliency while advancing the government's culture towards true and lasting reconciliation.

Forestry provides good-paying jobs for British Columbians. Forest companies spend billions on services, transportation and equipment provided by other British Columbia companies. Despite a declining timber supply, following years of intense wildfires and mountain pine beetle devastation, as well as changing land-use interests, forestry remains a major economic sector, integral to people in communities across the province. More than 50,000 British Columbians work directly in the forest industry. Many more benefit indirectly. Last year, they made up 29 percent of British Columbia's total exports, equal to \$11.5 billion. Our forests provide a high value and renewal resource. They are essential to our identity as British Columbians and the well-being of the sector affects everyone in British Columbia now and for generations to come.

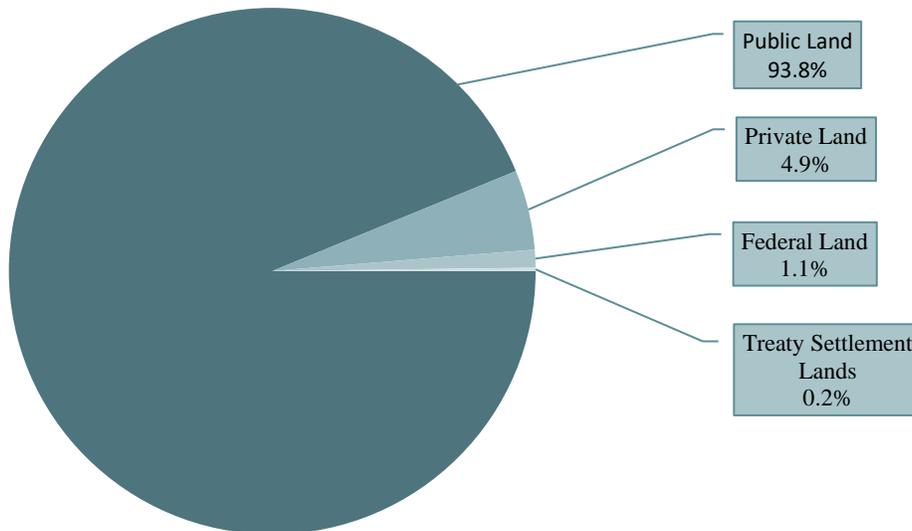


Above: Past and current timber tenures documents.

SECTION ONE

About British Columbia's Public Forests

British Columbia is home to one of the largest public forests on earth. With a total land base of 95 million hectares (235 million acres), nearly two-thirds — some 57 million hectares — is forested. Only 5 percent of the land base is privately owned — meaning that most of the forests belong to the people of British Columbia through the government.



Above: Land holdings in British Columbia – Data as of 2010 includes Maa-nulth First Nations Final Agreement.

Public ownership allows the government to manage the land base in keeping with the environmental, social, and economic interests of British Columbians. The government manages the public forests through laws that enable the use of the forest, while ensuring its long-term sustainability, stewardship and resiliency.

About 15 per cent of British Columbia's forests are protected areas. Overall decisions about how public land is used and managed are made through strategic land use planning processes. The Ministry of Forests authorizes the use of public lands for activities such as harvesting and grazing. It also enacts legislation that requires all users of the forest to conserve forest values, including timber, biodiversity, water, visual quality, soil quality, and wildlife and other resources, including cultural heritage and recreation.

The government also has a role in determining how and where harvesting takes place, and how much harvesting occurs. British Columbia's approach to forest management ensures that all forest and other resource values are considered and that there are opportunities for First Nations and public involvement.



What Is Tenure?

Tenure is the mechanism by which the government transfers specific rights to use public forest and resources to others. Forest companies, communities and individuals gain the right to harvest timber in public forests through tenure agreements with the government.

A timber tenure can take the form of an agreement, licence, or permit. Each is a legally binding contract that provides the tenure holder with specific rights to use public forests over a specific period of time, in exchange for meeting government objectives, including forest management obligations and the payment of fees including stumpage and annual rent.

Over a dozen forms of tenure have been developed to reflect forest uses, from timber harvesting and road building, to ranching. This diversity in tenures also reflects the needs and interests of tenure holders, whether they are large or small operators, First Nations, communities or individuals.

Tenures also vary in their duration. Many of the large timber harvesting tenures are replaceable, providing forest companies with a long-term supply of timber. Other forms of tenure, such as free use permits or forestry licences to cut, are for a one-time, single use.

The phrase “Timber Tenure System” refers to the collection of legislation, regulations, contractual agreements, permits, and government policies that define and constrain the use of public forest resources, primarily timber.



Above: A feller buncher cutting and bundling trees.



Above: Unloading logs from a log barge. Courtesy of Steve Henderson.

Rights and Obligations

The rights, obligations, and responsibilities for each tenure are established in provincial legislation, regulation, and policy. Additional requirements may also be included in each individual agreement, licence, or permit.

The key statute governing timber tenures is the *Forest Act*. This Act sets out the forms of agreements under which provincial or Crown timber can be issued to other interests. It describes each form of tenure including the duration, the rights, and obligations of the holder, and how the tenure will be administered.

The *Forest and Range Practices Act* (FRPA) outlines how all forest and range practices and resource-based activities are to be conducted on public land in British Columbia, while ensuring protection of everything in and on them, such as plants, animals, and ecosystems. All forest and range licensees' activities are governed by FRPA and its regulations during all stages of planning, road building, harvesting, reforestation and/or grazing.

The *Declaration on the Rights of Indigenous People Act* establishes a path forward that supports strategic and collaborative management of the land base and resources with First Nations and ensures transparency and clarity in any joint decision making or consent requirement processes.

Other relevant provincial statutes that are important to timber tenure holders include the *Range Act*, *Land Act*, *Heritage Conservation Act*, *Wildfire Act* and *Wildlife Act*. Other levels of government may also have requirements that tenure holders must comply with, for example, the federal *Fisheries Act* and *Species at Risk Act*.

Key Aspects of Timber Tenures

Volume-Based vs. Area-Based

Volume-based tenures grant licensees the right to harvest a certain amount of timber within a specified timber supply area, allowing several licensees to operate in the same management unit. Area-based tenures grant the licensees virtually exclusive rights to harvest timber within a specified area.

Replaceable vs. Non-Replaceable

Replaceable tenures generally have terms ranging from 20 to 25 years, providing licensees with the long-term security to invest in business planning, forest management, and manufacturing. Every 5 to 10 years, the licence may be updated or replaced to reflect current government policy. Non-replaceable tenures are granted for a fixed term to achieve specific goals (e.g., wildfire salvage).

Major Forms of Tenure

The *Forest Act* defines some licences as “major” forms. These include forest licences, tree farm licences, and timber licences, as well as some timber sale licences and forestry licences to cut. Typically, the major forms convey more rights, and more obligations for planning, reforestation and road building.



Above: Logs being processed in a sawlog mill.

SECTION TWO

The History of the British Columbia Timber Tenure System

British Columbia's vast and diverse forests are at the heart of the province's history and its current way of life. For thousands of years, Aboriginal peoples have relied on the forest environment that has provided shelter, clothing, food, tools, economic opportunities, medicine, and spiritual sustenance. Today, British Columbia's forests are renowned for their ecological values, their scenic beauty and their importance to the economy.

British Columbia's Timber Tenure System has been developed over the past 140 years, progressing through distinct eras during which governments and the people directed the use of public forests in accordance with their values. While timber tenures were created in the 19th century solely to fuel economic expansion, they have since evolved to reflect new values, such as sustainable forest management.

Pioneer Era: 1800s–1911

From its founding as a Crown colony until the early 1900s, the government's focus was on attracting labour and capital to develop virtually untouched timber resources. From the early 1800s until 1865, Crown grants were the only means of allocating timber to potential users. Early grants were fee simple, with no restrictions on land or timber use. Much of the private land that exists today was granted during this period, including most of the private lands of southeastern Vancouver Island. These were granted in 1884 to railway entrepreneurs.

The 1865 Land Ordinance established the policy of granting rights to harvest timber without alienating the land from the Crown – the basis of today's Timber Tenure System that preserves public ownership. In 1884, the *Timber Act* introduced the first stumpage fees, the price licensees pay for harvesting public timber.



Above: Archival photograph of Gilley Lumber Company in Burnaby. Courtesy of BC Archives.

Early Regulation and the Founding of an Industry: 1912–1946

In 1912, the first *Forest Act* was introduced, which established a system of “forest reserves,” areas officially designated for timber harvesting. The new *Forest Act* also created a Forest Service to administer the reserves, protect them from forest fires, promote their commercial use and collect government revenues.

The Act also established a new form of tenure called the timber sale licence, which granted a one-time right to harvest a specific stand.

A period of rapid industrial expansion followed, together with continuous technological change and competition over timber resources.

By 1943, the forest industry had expanded to the limits of its timber supply under existing tenures and sought greater access to public timber. In response, the government appointed the Sloan Royal Commission to analyze the Timber Tenure System.

At the same time, there was a growing awareness among foresters of the need to manage timber supply for the long-term.



Above: A grapple yarder pulling a log to a collection point.

Sustained Yield and Industrial Growth: 1947–1978

The Sloan Commission’s recommendations led to major changes in the Timber Tenure System, including amendments to the *Forest Act* in 1947. Key amongst the changes was the establishment of forest management units that would be managed for a long-term sustained yield of timber, through the use of a regulated harvest rate.

The public sustained yield unit was the forerunner to today’s timber supply area. The second type of management unit was the forest management licence, a new form of tenure and the forerunner to today’s tree farm licence.

Public sustained yield units were managed by the Forest Service with harvests shared among several operators, chiefly through the use of a new form of tenure, the timber sale harvesting licences. These licences were the first long-term, volume-based timber tenures.

The other new form of tenure, the forest management licence, also was acquired by companies for long-term harvest rights, but with a critical difference – these were area-based, not volume-based. This provided a single licensee with exclusive rights and responsibilities over a specific area. These licences were competitively awarded and only issued on the condition that companies who held the tenure invested in processing facilities and took on forest management obligations such as reforestation, road maintenance, wildfire abatement, etc.

In the late 1960s, pulpwood harvesting area agreements were introduced to provide a secure fibre supply to support large investments in pulp mills.

Integrated Forest Management: 1978–1988

In 1976, British Columbia’s fourth Royal Commission of Inquiry delivered its report. Many of these recommendations were implemented in a new *Forest Act* and a *Ministry of Forests Act* in 1978.

The changes led to more streamlined administration and new forms of tenure aimed at diversifying the forest industry. More than 88 public sustained yield units were consolidated and redefined into 33 timber supply areas. As well, a new process for determining the allowable annual cut was implemented for these new timber supply areas.

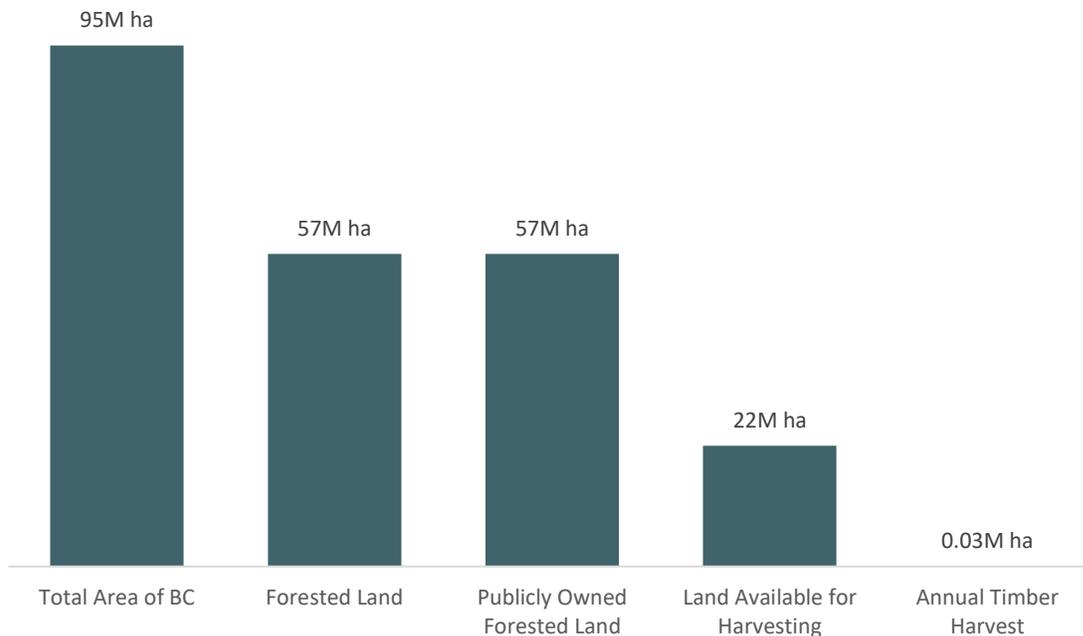
Existing tenure was overhauled; old licences were replaced or converted, and new forms of licence were introduced. Notable among these new forms were timber sale licences and non-replaceable forest licences developed expressly for small business loggers and owners of small sawmills and independent manufacturing facilities. Awards of tenure were competitive and made both on economic and social criteria such as job creation, performance, etc.



Above: A lumber yard in British Columbia’s Coast region.

Forest management obligations continued to grow. Several major forms of tenure required licence holders to carry out basic silviculture activities after harvesting, primarily reforestation. Licence holders were required to plant ecologically suitable and commercially valuable trees and to continue to manage the young forest until the trees were well established.

The era also saw an increased level of public involvement in forestry issues. The public was provided with opportunities to review and participate in allowable annual cut determinations, and in tenure management and working plans.



Above: Provincial “net down” of land base to timber harvesting land base (in millions of hectares).

Sustainable Management: 1988–2017

The concept of sustainable development was first given prominence by the 1987 United Nations Brundtland Commission. It emphasized the interdependence of environmental integrity and economic development in meeting the needs of current society and future generations.

This idea significantly influenced British Columbia’s management of its lands. Starting in the early 1990s, the province launched stakeholder-based land use planning to determine how public lands should be used, including which areas should be protected, and which should be available for resource development and other uses. The province also committed to negotiate Aboriginal land claims and established a policy to consult with First Nations on land-use decisions that could infringe on Aboriginal rights and title.

In 1992, a new process for determining the allowable annual cut was established with the Timber Supply Review, which required assessments to be conducted every five years. In 1995, the *Forest Practices Code of British Columbia Act* established new environmental standards for commercial forestry activities.

During this period, the government invested millions of dollars in reforestation and land base rehabilitation.

In 2003, the government introduced the Forestry Revitalization Plan, a comprehensive set of reforms aimed at diversifying the forest sector and increasing the economic competitiveness of British Columbia's forest industry.

The key strategy was timber reallocation, whereby the province's largest licensees were required to return about 20 percent of their replaceable harvesting rights to



Above: A tree planter plants a seedling in British Columbia's Interior.

the government. About half of this volume was earmarked to be sold at competitive auction, intended to increase the portion of timber available on open markets, and to provide a benchmark to determine the stumpage rates applied to all public timber. The other half was to be redistributed to First Nations and small tenure holders, including community forests and woodlots.

The government also deregulated various aspects of the Timber Tenure System. Rules that required licensees to process timber at specific mills were eliminated. Cut control rules were adjusted: minimum cut controls that required harvesting during poor markets were eliminated, while maximum cut controls were maintained. Rules around tenure subdivision and transfer were simplified to allow licensees greater flexibility in business decisions.

In 2002, the *Forest and Range Practices Act* was introduced to govern forestry operations. Its results-based framework was intended to reduce government and industry costs by relying on forest professionals, and to encourage innovative forest practices on the part of forest managers and licensees.

Forestry Modernization: 2017–Present

In 2017, the government embarked on forest policy reforms to modernize forest policy, working collaboratively with First Nations with a focus on enhancing forest management in partnership with First Nations to advance true and lasting reconciliation, enhancing stewardship, resiliency, and sustainability, strengthening the social contract between tenure holders and the public, and ensuring fair returns to British Columbians. Some specific initiatives included implementing the Old Growth Strategic Review to preserve important old growth trees and habitats across British Columbia, and the *Forest and Range Practices Act* improvement initiative to protect environmental resources and public safety, as well as improve public oversight and administrative fairness for those who hold rights to forest and range resources.

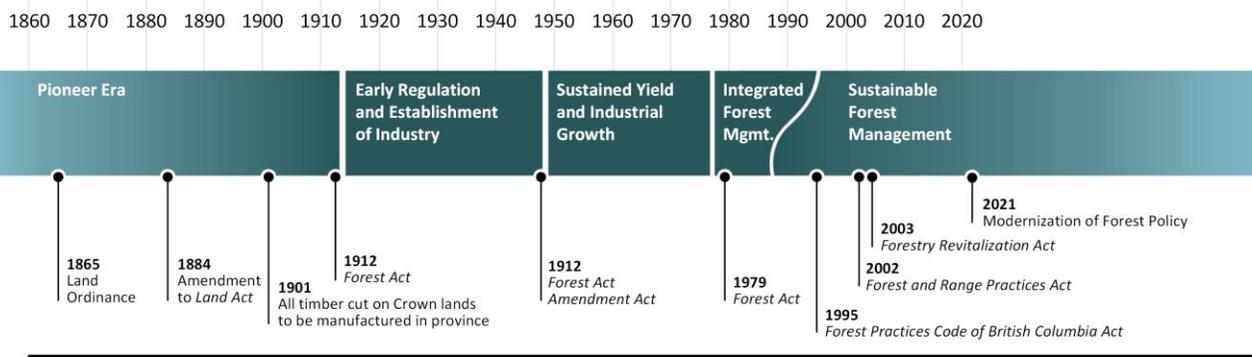
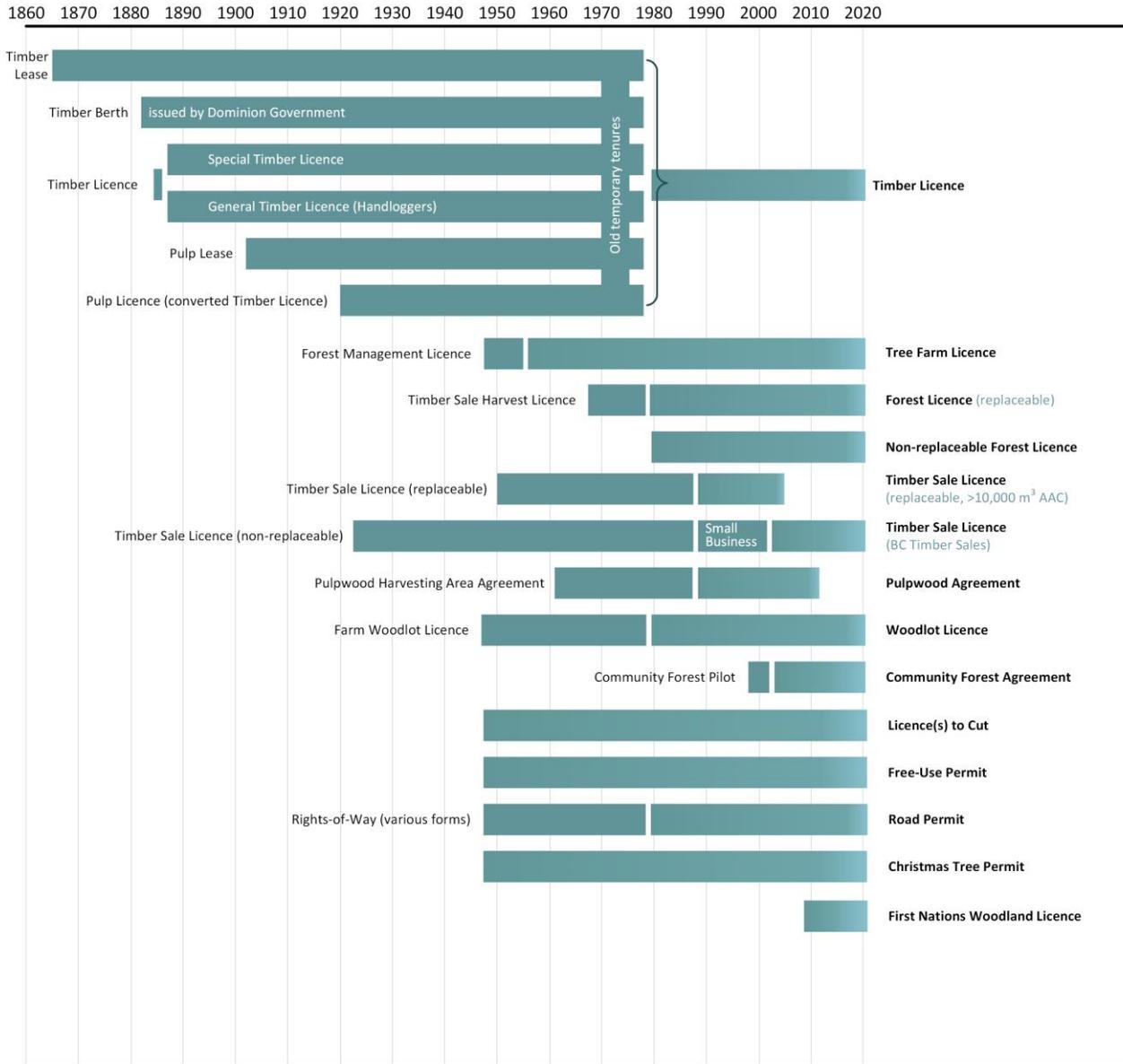
The government is working with First Nations to increase participation in the sector, collaborating on development of a new fiscal relationship and enhancing revenue sharing agreements (e.g., Forest Tenure Opportunity Agreement, Forest Consultation and Revenue Sharing Agreement, etc.) to advance reconciliation with Indigenous communities.

To support and diversify the Valued-Added Manufacturing Program in British Columbia, in 2023 the government designated that ten percent of BC Timber Sales’ available timber supply be dedicated to small and medium-sized secondary wood manufacturers.



Above: A mill worker packages lumber.

Evolution of Timber Tenures in British Columbia



SECTION THREE

Forms of Tenure Agreement

Key Attributes of British Columbia’s Timber Tenures

TABLE: Disposition of Timber by Government

Tenures	Area or volume	Resource rights	Duration	Major responsibilities
Forest Licence	Volume	Grants the right to harvest an allowable annual cut in specified timber supply area or tree farm licence area. May be competitively or directly awarded.	Up to 20 years. May be replaceable every 5-10 years or are non-replaceable.	Operational planning, road building, reforestation, stumpage payments. May be required to use harvesting contractors for all or part of the volume harvested.
Pulpwood Agreement	Volume	Grants a conditional right to harvest “pulp quality timber,” where other sources are insufficient or uneconomic.	Up to 25 years. No longer being issued.	Operational planning, obligation to maintain a pulp timber processing facility, obligation to purchase wood residue and pulp logs produced in the pulpwood area, reforestation, and stumpage payments.
Forestry Licence to Cut	Volume and Area	Grants the right to harvest and/or remove timber from specified areas. Types are designed to meet different purposes, such as small-scale salvage, small commercial purposes (firewood, fence posts), etc. May be competitively or directly awarded.	Up to 5 years.	Operational planning (if major licence or if issued under a pulpwood agreement), stumpage payments, reforestation where clearcuts larger than 1 hectare.

Tenures	Area or volume	Resource rights	Duration	Major responsibilities
Timber Sale Licence	Volume and Area	Grant the right to harvest a volume of timber in a specified area or purchase logs. Issued only by BC Timber Sales via competitive auction.	Up to 4 years, non-replaceable.	Operational planning in limited cases, stumpage payments. Obligated to operate in accordance with certification bodies.
Tree Farm Licence	Area	Grants virtually exclusive right to harvest timber and manage forests in a specified area. May include private land.	Term is 25 years; replaceable every 5-10 years.	Strategic and operational planning, inventories, reforestation, stumpage payments, obligation to use harvesting contractors for a portion of the volume harvested each year (exceptions may apply).
Community Forest Agreement	Area	Grants exclusive right to harvest an allowable annual cut in a specific area. May include private or reserve land. May include the right to harvest, manage, and charge fees for botanical forest products and other products. May be competitively or directly awarded.	Not less than 25 years and not more than 99 years; replaceable every 10 years.	Strategic and operational planning, inventories, reforestation, and stumpage payments.
Woodlot Licence	Area	Grants exclusive right to harvest an AAC and manage forests in a specified area. May include private land. May be competitively or directly awarded.	Up to 20 years. Most are replaceable every 10 years.	Strategic and operational planning, inventories, reforestation, and stumpage payments.

Tenures	Area or volume	Resource rights	Duration	Major responsibilities
First Nations Woodland Licence	Area	Grants the exclusive rights to a First Nation or its representative to harvest timber in a specified area. May include private or reserve land. May give its holder the right to harvest, manage and charge fees for botanical forest products and other prescribed products.	Not less than 25 years and not more than 99 years; replaceable every 10 years.	Strategic and operational planning, inventories, reforestation, and stumpage payments.
Timber Licence	Area	Grants exclusive right to harvest timber in a specified area.	No longer being issued. Existing licences have variable terms and may be extended.	Operational planning, road building, reforestation, and stumpage payments.
Licence to Cut (Occupant)	Area (within <i>Land Act</i> tenure area)	Grants the right to harvest and/or remove public timber. The occupant form is issued only to a landowner/occupier.	Up to 5 years.	Reforestation may be required, and stumpage payments.
Licence to Cut (Master)	Area (covers a large <i>Land Act</i> tenure area)	Authorizes harvesting under cutting permits in all or part of a forest district.	Up to 5 years.	Reforestation may be required, and stumpage payments.



Tenures	Area or volume	Resource rights	Duration	Major responsibilities
Fibre Supply Licence to Cut	Area (covers a large area)	Access to landing and roadside wood waste through a fibre recovery permit that has been abandoned by the primary harvester.	Up to 10 years.	No strategic and limited operational planning required. Must pay stumpage, and hazard abatement requirements.
Fibre Forestry Licence to Cut	Area (covers a few cutblocks)	Access to wood waste similar to a fibre supply licence to cut but does not need fibre recovery permits. Intended where there is sporadic demand for wood fibre and to test the wood fibre opportunities.	Up to 5 years.	No strategic and limited operational planning required. Must pay stumpage, and hazard abatement requirements.
Free Use Permit (non-commercial)	Volume	Issues right to harvest up to 50 m ³ of timber for non-commercial purposes (e.g., firewood); or for a traditional and cultural activity.	Up to 5 years – depending on the use.	Terms/conditions as indicated in permit.
Christmas Tree Permit	Area	Authorizes an individual to grow and/or harvest Christmas trees (commercial).	Up to 10 years; replaceable every 5 years.	Terms/conditions as indicated in permit, and stumpage payments.
Road Permit	Area	Authorizes the construction of a road or maintenance of an existing road on public land; may include the right to harvest timber, and manage/use adjacent sand, gravel pits, and rock quarries.	Until released by district manager or BC timber sales manager.	Terms/conditions as indicated in permit, and stumpage payments.

SECTION FOUR

Tenure Administration

Tenure Application and Award

Government may issue timber tenures on a competitive basis, or in certain cases, on a direct award basis.

Competitive Bid. From time-to-time, new tenure opportunities may become available.

Forms of tenure issued on a competitive basis include timber sale licences issued by BC Timber Sales. Eligibility for these licences is restricted, and applicants must include an offer to pay to the government stumpage and other fees on all merchantable timber, waste, plus a bonus offer or bonus bid. The tenure is awarded to the highest bidder.

Other forms of tenure that are awarded competitively include forest licences, community forest agreements and woodlot licences. These tenure opportunities are advertised by the government, which invites applications from interested parties. A tenure is awarded to the applicant with the highest qualifying bid or proposal.

Direct Award. In some cases, a timber tenure may be awarded without advertising or inviting applications. Direct awards are issued under Section 43.7 of the *Forest Act* to First Nations for treaty-related measures, interim measures or economic measures, or to a person to mitigate the effects of a treaty or a designated area under Part 13 for compensation purposes. They are also issued in specific instances, for example, to facilitate oil and gas exploration, bioenergy and for small-scale salvage.

Tenure forms that may be directly awarded to First Nations are a forest licence, woodlot licence, community forest agreement, First Nations woodland licence or a forestry licence to cut.



Above: A log loader hoe chucking logs to roadside. Courtesy of Steve Henderson.

Tenure Transfer, Consolidation or Subdivision

Existing tenure holders may initiate the transfer, subdivision or consolidation of some forms of tenure.

The *Forest Act* requires the minister to consider the effects of a tenure transfer or the change in control of the tenure holder on the marketing of fibre in British Columbia and the public interest. If there are concerns, the minister may attach conditions to the approval to address those concerns.

In a consolidation, one or more licences held by one party are joined in a single licence. Subdivision involves the division of a single licence into one or more smaller ones.

The government must consolidate or subdivide a licence upon request unless it is determined that forest management would be compromised, and the request would be contrary to the public interest.

Conversion

Over time, the government may introduce new forms of tenure and retire older forms of tenure. For example, timber licences were implemented in 1978 under the *Forest Act* to replace an array of existing temporary tenures.

In such cases, the government may invite the holders of older tenure forms to apply for new forms of tenure when their agreement expires. This process in effect “converts” the form of tenure, although the new form of tenure may carry different rights and responsibilities than the previous form.



Above: A log boom site in Coastal British Columbia.

The timber sale licence is one form of tenure that has undergone significant changes over the years. As of March 2005, existing licences were converted or added to other existing forms of tenure (i.e., forest licence and woodlot licence) as part of accommodation, economic opportunity, and compensation. Existing licences that were issued under the former Small Business Enterprise Program/Small Business Forest Enterprise Program were always non-replaceable and expired at the end of their term. Today, non-replaceable timber sale licences are issued only by BC Timber Sales.

BC Timber Sales

BC Timber Sales is a division of the Ministry of Forests that develops timber sale licences for competitive auction. The auctions provide a reference point used to calculate the stumpage fees paid on public timber harvested under other forms of tenure (i.e., Market Pricing System).

The BC Timber Sales Program also auctions timber sale licences that are restricted to companies that will process the timber into value-added products.

Forest Practices

The *Forest and Range Practices Act* (FRPA) and its regulations govern activities including planning, road building, harvesting, reforestation and grazing. Its predecessor was the *Forest Practices Code of British Columbia Act*. Under FRPA, government can set objectives for sustaining forest values – biodiversity, cultural heritage, forage, fish, recreation, resource features, soils, timber, visual quality, water, and wildlife. FRPA also enables the government to set new objectives for localized values including visual quality, lake and stream sides, and recreation values. Ongoing monitoring and enforcement are carried out to ensure objectives are met. Before conducting any operations, all major tenure

holders and BC Timber Sales must complete a Forest Stewardship Plan. Woodlot licence holders must prepare a Woodlot Licence Plan. These plans must outline how the tenure holders will address the provincial objectives.



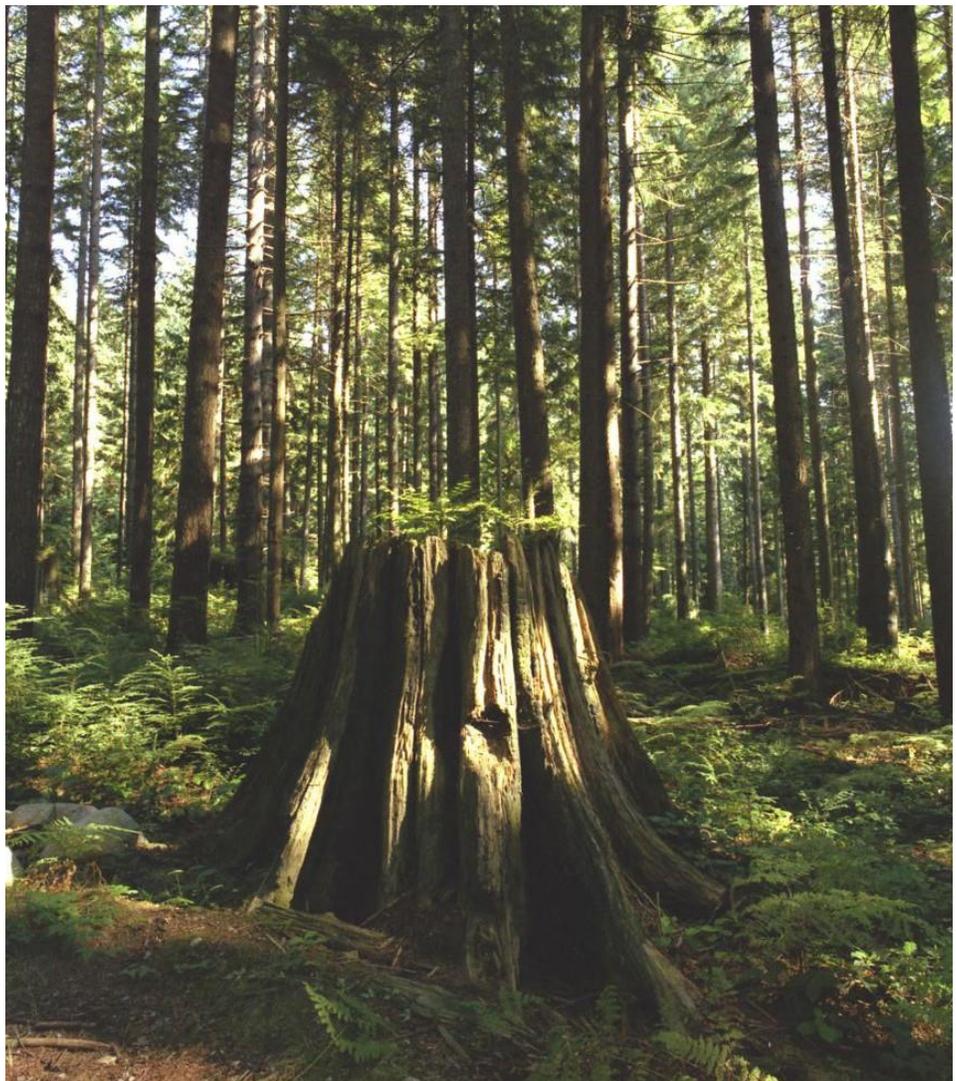
Above: Heli-logging operations in Coastal British Columbia.

Before submitting a plan to government for approval, all tenure holders must make it available for public review and comment. As well, tenure holders must make reasonable efforts to discuss the plan with local First Nations, stakeholders, recreational groups, etc. who are potentially affected. Government must approve the plan if its content meets legal requirements, its results and/or strategies are consistent with government legal objectives and values, it is consistent with the terms of the tenure, and the decision maker is satisfied regarding the adequacy of public and First Nations consultation.

Once a plan is approved, the tenure holders must prepare site plans that describe how they will meet government objectives in

specific areas where road building, harvesting or silvicultural activities are proposed. These plans must be available to the public upon request. In most cases, tenure holders are required to obtain cutting permits and road permits and submit notifications before work begins.

In 2018, the ministry initiated a multi-year, multi-phase legislative process to make changes to FRPA. These changes are intended to strengthen public confidence in the management of British Columbia's forest and range resources. The amendments are part of the government's overall forest policy strategy to reshape British Columbia's forest management framework to continue to serve the public interest in an era of change – by increasing First Nations participation in forestry, adapting to changing climate and modernizing land use planning. Notable changes include a new landscape planning framework, shared decision making opportunities with First Nations in forest planning, expansion of provisions for wildfire management, enhancing road management, and improving the compliance and enforcement framework.



Above: Coastal second-growth stand with an old cedar stump.

First Nations Consultation Accommodation, and Reconciliation

First Nations in British Columbia, with some exceptions, have not entered into treaties or otherwise agreed to cede title for lands that comprise their asserted traditional territories.

Existing Aboriginal and treaty rights were recognized in Canada's Constitution in 1982. The courts have recognized asserted Aboriginal rights and title (Aboriginal interests) in legal proceedings. Consultation and, where appropriate, accommodation of Aboriginal interests is now part of the common law as established by Calder, Delgamuukw, Haida, Taku and other legal decisions.

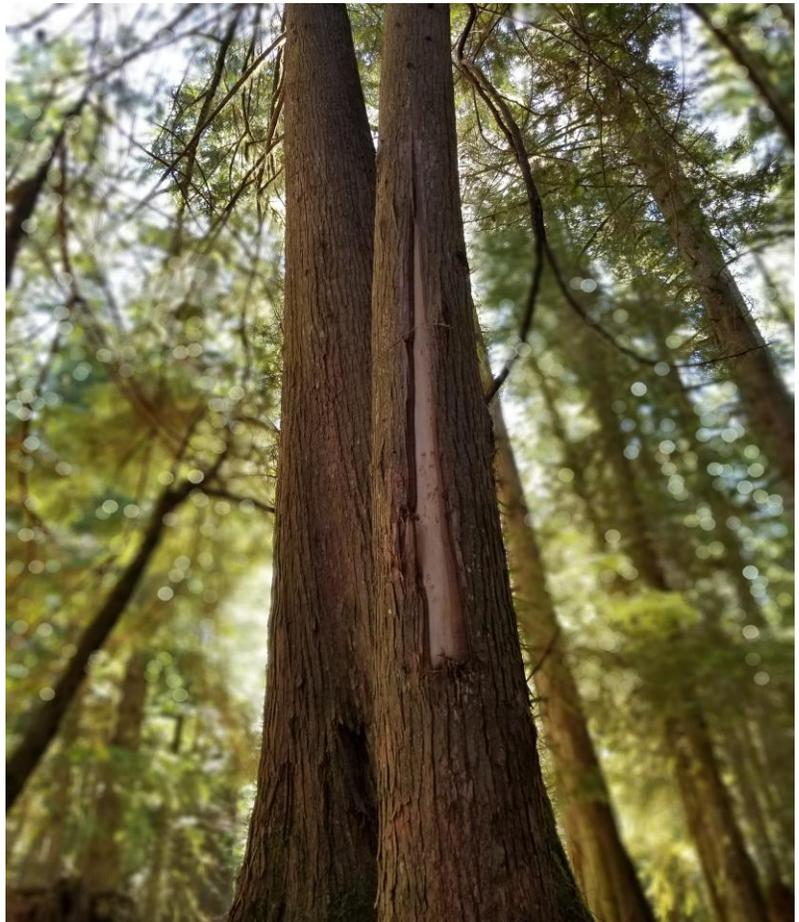
British Columbia has developed initiatives to increase the involvement of First Nations in the forest industry. For example, interim measures like Forest and Range Agreements provide forest tenures and revenue sharing opportunities.

In 2019, the government passed the *Declaration on the Rights of Indigenous Peoples Act (Declaration Act)* into law. The *Declaration Act* established the *United Nations Declaration on the Rights of Indigenous Peoples Act (UN Declaration)* as the province's framework for reconciliation, as called for by the Truth and Reconciliation Commission's Calls to Action. The *Declaration Act* aims to create a path forward that respects the human rights of Indigenous Peoples.

For forestry, implementation of the *Declaration Act* and reconciliation resulted in initiatives to increase the economic and land management opportunities for First Nations. This has included things such as revenue sharing, direct award of forest tenures, and implementing shared and consent-based decision making for certain forestry decisions.

Regulating the Harvest

The province carefully regulates the amount of timber that may be harvested each year. The maximum amount of timber that may be harvested per year from a specified area of land is called the AAC. A separate AAC is assigned to every management unit: tree farm licences, timber supply areas, community forest agreements, First Nations woodland licences and woodlot licences.



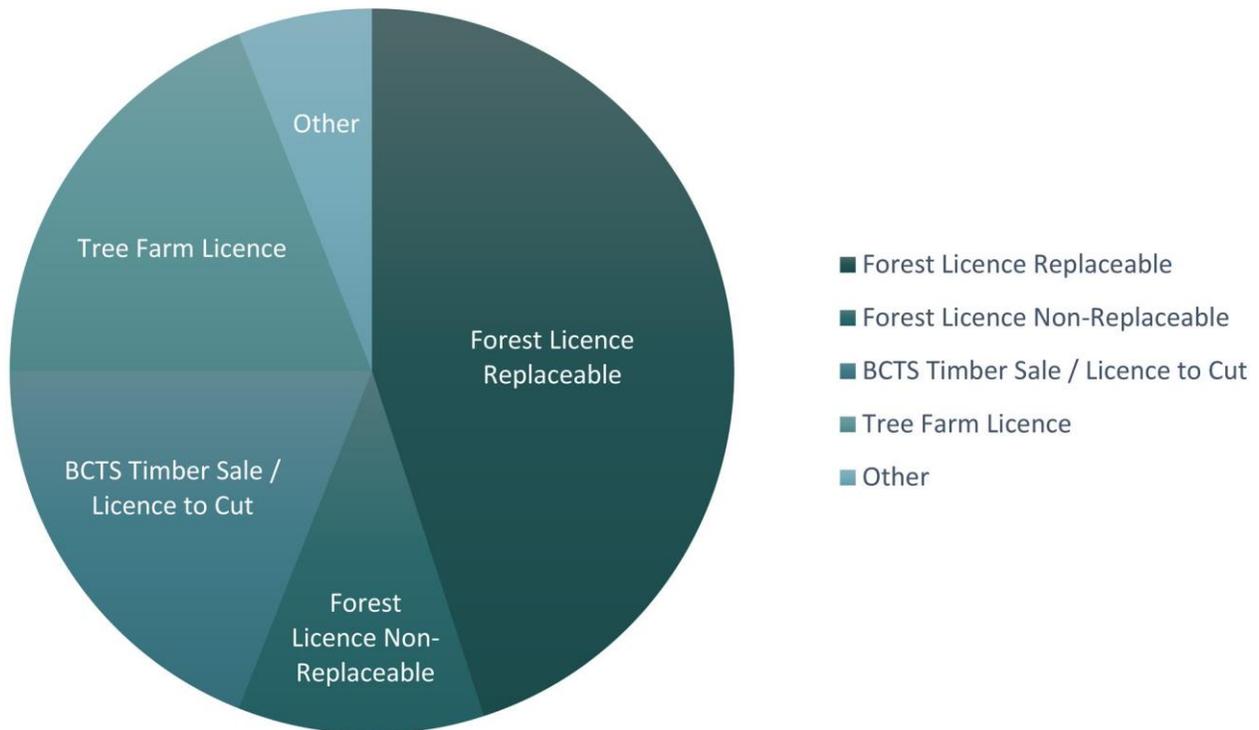
Above: A Culturally modified Western Red Cedar. Courtesy of Steve Henderson.

The province’s chief forester (or deputy chief forester) makes the AAC determinations for tree farm licences and TSAs. In making each determination, the chief forester considers technical reports, analyses, and public input, as well as government’s social and economic objectives. For example, the determination considers potential timber productivity, other forest resources, short and long-term implications of alternate rates of harvest, impacts from fire and pests, and economic and social objectives.

The rationale for each of these determinations is explained in a statement available to the public. Determinations must be made once every ten years after the date of the last determination, although they may be postponed if significant change is considered unlikely. They may also be expedited if changes have occurred that substantially alter the timber supply outlook.

Once the AAC for a TSA is determined, the volume is distributed or “apportioned” into forms of tenure that then share rights to harvest public timber within the TSA.

For community forest agreements, First Nations woodland licences and woodlot licences, the AAC is set by the Ministry of Forests regional executive directors or natural resource district managers.



Above: Apportionment of Provincial Annual Allowable Cut

Payment to the Provincial Government

Forest sector activities contribute substantially to provincial revenues, which are used to provide public services like health care and education. Since 2003, First Nations have had the opportunity to participate in Forest Revenue Sharing Agreements with the government.

Tenure related revenues include stumpage, annual rents, waste assessment fees. Other fees may be payable under specific licences or permits.

Stumpage is the price that must be paid to the provincial government for timber harvested from provincial land. The price is determined and set by the government using a calculation that reflects considerations such as market value, the species and quality of the wood and the cost of harvesting.

In British Columbia, most timber (including private timber) that is harvested is scaled and marked. Scaling involves the measuring of cut timber to determine its volume, quality, and grade. Scalers are licenced and authorized to do this work by the Ministry of Forests under the *Forest Act* and the Scaling Regulation. The scale provides the data used to assess and invoice stumpage and account for harvested volumes.

In some cases, stumpage payable is calculated using the volume of timber harvested estimated by a cruise of the timber rather than volume derived from the scale of logs.



Above: A cutblock and road system in British Columbia's Interior.

Glossary

Timber Supply: The rate at which timber is made available for harvesting. It is the potential total availability of timber over time, shaped by social, economic, and environmental considerations.

Allowable Annual Cut: The rate of timber harvesting determined for an area under the *Forest Act*. The rate may be specified as a volume of timber in cubic metres that can be harvested each year.

Stumpage: The fee (per cubic metre) that individuals and companies are required to pay to the government when they harvest public timber in British Columbia.

Market Pricing System: BC Timber Sales' (BCTS) "transaction evidence pricing" System to determine stumpage rates for most non-BCTS cutting authorities throughout the province by establishing the market value of the timber through auctions of standing timber. The evidence from transactions, which are the results of the auction sales are used to determine the price of other stands of timber.



Above: Log transport near Mount Robson, British Columbia.



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